FOREIGN
BROADCAST
INFORMATION
SERVICE

Daily Report

East Asia

FBIS-EAS-95-148
Wednesday
2 August 1995

Daily Report
East Asia

FBIS-EAS-95-148 CONTENTS *2 August 1995*

NOTICE: An * indicates material not disseminated in electronic form.

INTERNATIONAL AFFAIRS

ASEAN Regional Forum Session Detailed *[Bandar Seri Begawan TV]* 1
ARF Ministers Highlight Specific Issues *[BANGKOK POST 2 Aug]* 1
Malaysia Condemns UN 'Failure' in Bosnia *[Kuala Lumpur International]* 2
ARF Support for KEDO, Dialogue Reported *[YONHAP]* 3
'Concrete' Confidence-Building Measures Cited *[Singapore Radio]* 3
Foreign Ministers Raise Issues at ARF Meeting 4
    Qian Qichen Addresses Session *[THE NATION 2 Aug]* 4
    Kozyrev Makes Proposal *[THE NATION 2 Aug]* 4
    Malaysia's Badawi Views Spratlys *[THE STAR 2 Aug]* 5
    Indonesia's Alatas on Burma Policy *[Jakarta Radio]* 5
    Kono Distributes Letter *[KYODO]* 5
Meeting Ends With 'Bold' Chairman's Statement *[KYODO]* 6
ASEAN Urges PRC, France To End Nuclear Tests *[THE NATION 2 Aug]* 7
    Australia's Evans Censures Tests *[Melbourne International]* 8
    Japan's Kono Makes Appeal *[KYODO]* 8
Officials Agree on Theme for Asia-Europe Summit *[Singapore Radio]* 8
    Japan Accepts Australia, New Zealand Exclusion *[KYODO]* 9
Brunei's Bolkiah Opens Postministerial Conference *[Bandar Seri Begawan TV]* 9

INTER-ASIAN AFFAIRS

ASEAN Ministers Meet With Japan's Kono 11
    EAEC Membership on Agenda *[BANGKOK POST 2 Aug]* 11
    Kono Affirms Importance of Ties *[KYODO 2 Aug]* 11
ASEAN Draft on Nuclear-Free Zone Gisted *[NIHON KEIZAI SHIMBUN 30 Jul]* 12

NORTHEAST ASIA

Japan

- Filmmakers Criticize Kodak for High Rebate Rate *[NIHON KEIZAI SHIMBUN 31 Jul]* 13
- Konica To Stay Neutral in Film Dispute *[NIHON KEIZAI SHIMBUN 1 Aug]* 13
- Numerical Targets of Auto Talks Reviewed *[ASAHI SHIMBUN 25 Jul]* 13
- Christopher, Kono To Pave Way for Clinton Visit *[KYODO]* 15
- U.S. Military Injected Islanders With Chromium *[KYODO]* 16
- Tokyo, Moscow Agree To Improve Bilateral Ties *[KYODO]* 16
- Tokyo Seeks Cooperation With European Firms *[YOMIURI SHIMBUN 29 Jul]* 17
- Kono Hints at Resuming Yen Loans to Burma *[KYODO]* 17
- MITI Survey Shows High Yen Curbing Exports *[NIHON KEIZAI SHIMBUN 29 Jul]* 18
- Takemura Announces Measures on Strong Yen *[Tokyo TV]* 18
  - 'Official' Text of Yen Measures *[KYODO]* 19
  - 'Main Points' of Measures *[KYODO]* 20
  - Takemura Welcomes Yen's Fall *[KYODO]* 20
- Igarashi Says Yen Measures 'Appropriate Policy' *[KYODO]* 20
- Takemura Discusses High Yen Countermeasures *[ASAHI SHIMBUN NEWS CONFERENCE REPORT]* 21
  - Tokyo Government Revokes Cosmo Designation *[KYODO]* 22
- BOJ Provided Loans to Cosmo Credit *[KYODO]* 22
- Panel Urges Dismantling Ailing Financial Firms *[KYODO]* 23
- DDI Tokyo Pocket Denwa PHS Industry Viewed *[NIKKEI BUSINESS 1, 8 May]* 23
- NTT President Interviewed on Company Breakup *[NIKKEI BUSINESS 22 May]* 25
- Private Comfort Women Fund Shows 'Contrition' *[KYODO]* 28
- Zendentsu Shifts Policy To Cooperate With LDP *[KYODO]* 29
- Parliamentary Strength of Political Parties *[KYODO]* 30
- Murayama: Forging Alliance With Sakigake 'Good' *[YOMIURI SHIMBUN 31 Jul]* 30
- 'Sources': Cabinet Reshuffle Likely Limited *[KYODO]* 30
- Murayama Cabinet's 'Secret' Plans for Reshuffle *[SANDE MAINICHI 11 Jun]* 31
- 'Sources': Kubo Considers Resignation *[KYODO]* 33
  - Igarashi: Kubo 'Should Continue' *[KYODO]* 34
- LDP Power Struggle for Party Presidency Viewed *[KYODO]* 34
- Foreign Minister Kono Wants To Step Down *[ASAHI SHIMBUN 1 Aug]* 35
- Mori on Election, Hashimoto Bid for Party Head *[NIHON KEIZAI SHIMBUN 1 Aug]* 35
- NFP To Maintain Kaifu-Ozawa Leadership *[NIHON KEIZAI SHIMBUN 31 Jul]* 36
- Sakigake Member Submits Letter of Resignation *[KYODO]* 37

North Korea

- Kim Yong-sam's U.S. Tour Called 'Shameful' *[KCNA]* 37
- Spokesman Denounces U.S. Korean War Monument *[Pyongyang Radio]* 38
- Abolition of National Security Law Urged *[KCNA]* 39
- Seoul's Moves To 'Foil' Festival Condemned *[KCNA]* 40
- Dailies Criticize Arrest of Pak Yong-kil *[KCNA]* 40
  - Radio Also Critical *[Pyongyang Radio]* 41
- Democratic Front Decries Intellectuals' Arrest *[KCNA]* 42
- Pastor An Sung-un Meets Press at Pongsu Church *[Pyongyang TV]* 42
- Japan 'Discriminating' Against Korean Schools *[KCNA]* 43
- Youth Forum Discusses Japan's 'Past Crimes' *[KCNA]* 44
- Guyanese Support Joint Press Statement *[KCNA]* 44
- Norwegian Delegation Concludes Visit *[Pyongyang Radio]* 44
- Jordanian Groups Urge 'Prisoner' Repatriation *[KCNA]* 44
- Nepalese, Japanese Delegations Arrive on Visit *[KCNA]* 44
  - Visit Kim Il-song's Statue *[KCNA]* 45

Kim Chong-il Recognizes Workers, Soldiers 45
    Sends Gifts to Farmers *[KCNA]* 45
    Thanks Soldiers, Civilians *[KCNA]* 45
    Praises Deceased Technician *[Pyongyang TV]* 45
Al-Qadhdhafi Sends Kim Chong-il Message *[Pyongyang Radio]* 46
Kumsusan Project Overseen by Kim Chong-il *[KCNA]* 46
    Shows Kim Chong-il's Loyalty *[KCNA]* 47
Foreign Papers Laud Kim Chong-il *[KCNA]* 48
    Publish Kim Chong-il Works *[KCNA]* 48
Kim Chong-il's Foreign Relations Work Viewed *[NODONG SINMUN 9 Apr]* 48
Nepal Publishes Kim Il-song's Reminiscences *[KCNA]* 51
Nature of Human Rights 'Offensive' Described *[KCNA]* 51
Modelling Party on Chuche 'Important Guideline' *[KCNA]* 51
Power Plants Strive To Boost Power Production 52
    Chagang Province *[Pyongyang Radio]* 52
    Taechon Hydroelectric Complex *[Pyongyang Radio]* 52
    Pyongyang Thermoelectric Complex *[Pyongyang TV]* 53
    Sunchon Floodgate Power Plant *[Pyongyang Radio]* 53

South Korea

Honolulu Site of Talks With U.S. on North *[YONHAP]* 53
Seoul To Raise Pending Issues at Rice Talks *[CHOSON ILBO 2 Aug]* 53
'Real Power Holders' in North's Army Listed *[SEOUL SINMUN 31 Jul]* 54
Need for 'Epochal Proposal' to North Questioned *[CHUNGANG ILBO 1 Aug]* 55
Firms To Avoid Competition in North Projects *[THE KOREA HERALD 2 Aug]* 55
PRC Protests Ambassador's Abduction Remark *[CHUNGANG ILBO 2 Aug]* 56
Seoul, Moscow To Discuss Better UN Cooperation *[YONHAP]* 56
Groups Urge Release of All 'Political Prisoners' *[YONHAP]* 56
Groups Appeal Military's Kwangju Decision *[YONHAP]* 57
DLP To Delay Filling District Chapter Posts *[YONHAP]* 57
DP Vice President To Join New Party *[YONHAP]* 57
Rumor of Pak Kun-hye Election Run Denied *[YONHAP]* 57
Bad Weather Delays Mugunghwa Satellite Launch *[YONHAP]* 58
Telecommunications Meeting Held in Singapore *[THE KOREA HERALD 28 Jul]* 58
Further Developments in Sampoong Case Reported 58
    Vice Mayor Accepted Bribe *[YONHAP]* 58
    Ward Head's Assailants Arrested *[YONHAP]* 59
Building Firm Role in Malaysian Project Denied *[YONHAP]* 59

SOUTHEAST ASIA

Burma

Ohn Gyaw Hints at Political Exclusion of Suu Kyi *[THE STRAITS TIMES 31 Jul]* 60
Thai Daily Interviews Aung San Suu Kyi *[THE NATION 1 Aug]* 60
New Mon State Party Welcomes Suu Kyi Release *[BurmaNet News]* 63

Brunei, Malaysia & Singapore

Brunei

Bolkiah Holds Talks With Japanese Counterpart *[Bandar Seri Begawan TV]* 64

Malaysia

Official Previews Agenda for Christopher Visit *[AFP]* 64
Mahathir Urges U.S. To Review Bosnia Policy *[Kuala Lumpur TV]* 64
Government To Follow OIC Decision on Bosnia *[Kuala Lumpur TV]* 65
Regional Security Cooperation Requirements Viewed *[Kuala Lumpur International]* 65
High-Technology Electronic Projects Urged *[BERITA HARIAN 21 Jun]* 66

Singapore

Jayakumar, Philippines' Siazon Discuss Ties *[Singapore Radio]* 66

Cambodia

Significance of ASEAN Membership Examined *[PHNOM PENH POST 28 Jul-10 Aug]* 67
Commentary Views Prospect of ASEAN Membership *[Phnom Penh Radio]* 68
Commentary Urges Government To Accept Criticism *[PHNOM PENH POST 28 Jul-10 Aug]* 68
Ieng Muli Endorses Press Law; Others Comment *[PHNOM PENH POST 28 Jul-10 Aug]* 70
NADK Rebukes Phnom Penh for Accusing Thailand *[Radio PGNUNS]* 71

Indonesia

Alatas: Nation Unable To Supply Arms to Bosnia *[ANTARA]* 72
Minister 'Regrets' Flag Burning in Australia *[Jakarta Radio]* 72
Alatas, Evans Discuss Envoy, Other Issues *[ANTARA]* 72

Philippines

Siazon, Qian Agree to Regular Spratlys Dialogue *[BUSINESS WORLD 1 Aug]* 73

Thailand

Official Says IPR Crackdown Won Back GSP *[BUSINESS DAY 2 Aug]* 74
U.S. Urged To Restore Tariff Cuts on Tiles *[BANGKOK POST 2 Aug]* 75
Editorial Sees Importance of GSP Declining *[BANGKOK POST 2 Aug]* 76
Ratifying WTO Financial Services Pact in Doubt *[THE NATION 29 Jul]* 77
Early Establishment of Free Trade Area Viewed *[THE NATION 1 Aug]* 78
Army Blasts AFP on 'Distorted' Cambodia News *[BANGKOK POST 2 Aug]* 80
Strong Yen Forces Delay in Deficit Cuts *[BANGKOK POST 29 Jul]* 80
Cabinet Boosts Fiscal 1996 Budget *[THE NATION 2 Aug]* 81
    Former Vice Premier Criticizes Move *[BUSINESS DAY 2 Aug]* 82

Vietnam

Nguyen Manh Cam Meets With ASEAN Ministers *[VNA]* 82
ASEAN Regional Forum Meeting Summarized *[VNA]* 83
Chamber of Commerce Joins ASEAN Body *[VNA]* 83
Investment by ASEAN Countries Outlined *[Hanoi Radio]* 84
General Secretary Do Muoi Visits Australia 84
    Begins Visit in Sydney *[Hanoi Radio]* 84
    Keating Speaks at Luncheon *[VNA]* 84
    Do Muoi Speaks at Luncheon *[VNA]* 85
    Activities in Canberra Outlined *[VNA]* 87
Aid Agreement Signed With Australia *[Hanoi International]* 87

AUSTRALASIA

Australia

Canberra Excluded From 1st Euro-Asian Summit *[Melbourne International]* 88
  Exclusion Not 'Setback' *[Melbourne International]* 88
Further Reaction to Recall of French Envoy 88
  Recall 'Unfortunate' *[Melbourne International]* 88
  'Positive' Outcome Expected *[Melbourne International]* 88
  Canberra's Envoy Stays in Paris *[AFP]* 89
France 'Starting To Understand' Protests *[Melbourne International]* 89
Reportage on Visit of Vietnam's Do Muoi 89
  Vietnamese Community Protests *[Melbourne International]* 89
  Do Muoi Meets With Keating *[Melbourne International]* 90
  Do Muoi Snubbed by Opposition *[Melbourne International]* 90
Agreement on Aid Project Signed With Vietnam *[Melbourne International]* 90
Ambassador Row With Indonesia Discussed *[Melbourne International]* 90
Evans: PRC Emerging as 'Really Great Power' *[Melbourne International]* 90

Marshall Islands

U.S. Used Islanders as Nuclear 'Guinea Pigs' *[Melbourne International]* 91

New Guinea

Prime Minister Reshuffles Cabinet *[AFP]* 91

ASEAN Regional Forum Session Detailed

BK0108144995 Bandar Seri Begawan RTB Sukmaindera Television in English 1300 GMT 1 Aug 95

[FBIS Transcribed Text] The ASEAN Regional Forum [ARF] has expressed concern on overlapping sovereignty claims in the region. The forum also recognizes that the Korean peninsula issue has a direct bearing on peace and security in the Asia-Pacific. The one- day forum was attended by the ASEAN foreign ministers, together with their counterparts from the dialogue partners, consultive and observer countries.

The second ASEAN Regional Forum at the Bukit Kayangan Balai Penghadapan [Audience Hall] was chaired by His Royal Highness Prince Mohamed Bolkiah, the foreign affairs minister.

In a chairman's statement, ARF participants expressed their satisfaction at the level of stability in the Asia-Pacific region. They noted the ways in which cooperative relationships were developing constructively since the first ARF in Bangkok in July 1994, particularly those which brought confidence and created greater transparency. In this respect, they noted the participants' willingness to address substantive security issues in a spirit of mutual respect, equality, and cooperation. The ministers also adopted the proposal in the context of the concept paper.

In this respect, the ARF participants agreed that the ARF should evolve through three stages. The first will concentrate on confidence-building. The second stage will consider preventive diplomacy and the third will cover conflict resolution. ARF believes the three-stage development procedure should help ensure the forum will assume gradually but steadily, a more substantive role in promoting regional security, consultation, and cooperation.

In promoting confidence building measures, the ARF discussed two complementary approaches. The first approach derives from ASEAN's experience which provides a valuable and proven guide for the ARF. As regards to good neighborliness, the ARF participants have also been encouraged to associate themselves with the 1976 Treaty of Amity and Cooperation in Southeast Asia. The second approach is the implementation of concrete confidence building measures, which include possible preventive diplomacy and other measures. The principles of confidence building measures are the development of a set of basic principles to ensure common understanding and approach to inter-state relations in the region and the adoption of comprehensive approaches to security.

The ARF exchanged views on regional security issues and expressed concern on overlapping sovereignty claims in the region. They encouraged all claimants to reaffirm their commitment to the principles contained in relevant international laws and convention in ASEAN's 1992 Declaration on the South China Sea.

The ARF also expressed their support to the efforts of Cambodia to achieve security, promote national security, and economic recovery. In emphasizing the importance of nonproliferation of nuclear weapons and promoting regional peace and stability, the ARF welcomed the commitment by all parties to the Nonproliferation Treaty to conclude a comprehensive test ban treaty by 1996. Those countries who plan to conduct further nuclear tests were called upon by all other ARF member states to bring an immediate end to such testing. They also endorsed nuclear weapons free zones such as the South Pacific nuclear-free zone and strengthening the international nonproliferation regime and expressed the hope that all nuclear weapon states would in the very near future adhere to the relevant protocol.

ARF Ministers Highlight Specific Issues

BK0208044095 Bangkok BANGKOK POST in English 2 Aug 95 p 9

[Report by POST reporters]

[FBIS Transcribed Text] Bandar Seri Begawan — The ASEAN Regional Forum ended yesterday with a call from its 19 foreign ministers to take bold action to tackle issues which have the potential to destabilise East and Southeast Asia.

In dramatic progress from the generalities of last year, ministers highlighted concerns over specific themes, in particular the nuclear issue.

Their anxiety was reflected in the chairman's statement released at the end of the meeting held at Balai Penghadapan Palace, the residence compound of Brunei Foreign Minister Prince Mohamed Bolkiah.

The prince chaired the forum, which gathers ASEAN foreign ministers and 12 counterparts including those from China, Japan, the United States and Russia, to discuss security issues.

Other issues raised in the forum included "overlapping sovereignty claims", meaning the South China Sea, the Korean Peninsula and Cambodia.

The foreign ministers urged an end to nuclear weapons proliferation and nuclear tests, while showing support for nuclear non-proliferation countries to finalise a comprehensive test ban treaty by next year.

"Those countries which plan to conduct further nuclear tests are called upon by all other ARF member states to bring an immediate end to such testing," they said in the statement, which stopped short of naming China and France.

They showed support for nuclear weapon-free zones, such as those in the South Pacific and expressed the hope that "all nuclear weapon states would in the very near future adhere to the relevant protocols."

ASEAN is drafting the treaty on a Southeast Asian nuclear weapon- free zone which is expected to be endorsed at its December summit in Bangkok.

ASEAN sources said that both Australia and Japan came on strong on the nuclear issue at yesterday's session.

However, European Union President and Spanish Foreign Minister Javier Solana Madariaga argued that the nuclear free zone in the South Pacific has yet to be internationally recognised.

On the overlapping areas, a reference to the Spratlys and Paracels in the South China Sea, the participants expressed concern over rival claims and called for all claimants to adhere to ASEAN's 1992 Declaration on the South China Sea initiated in Manila.

These chains of islets straddling strategic sea lanes and believed to be resource-rich are claimed in whole or in part by four ASEAN countries — Brunei, Malaysia, the Philippines and Vietnam — as well as by China and Taiwan.

The participants supported the Korean Peninsula Energy Organisation (KEDO) to help North Korea develop peaceful energy power facilities.

They recognised the importance of security on the Korean Peninsula, which would bring about peace in the Asia-Pacific region, and welcomed talks between the U.S. and North Korea to ease tensions in the territory.

Thailand is among countries supporting the KEDO with a pledge to contribute $300,000 to the programme.

The situation in Cambodia was also mentioned in the statement, the participants supported the Cambodian Government's attempts to bring about stability and economic development.

The participants were willing to discuss "substantive security issues", an announcement seen as progress for the forum.

The ministers set the direction of the forum, agreeing to maintain it as a venue for discussions on security issues with ASEAN as "the primary driving force."

But the decisions of the forum had to be reached on a consensus basis, with all participants closely consulted, the statement added.

The ARF shall continue to be a forum for "open dialogue and consultation on regional political and security issues, to discuss and reconcile the differing views between ARF participants in order to reduce the security risk."

To move ahead with this arrangement, the foreign ministers endorsed three activities supported by their governments.

Indonesia and Japan will work on programmes on confidence- building measures, Malaysia and Canada will chair the meeting on peace-keeping operations; while Singapore and the U.S. will look after sea search and rescue operations.

Confidence-building is the first requirement to carry the process forward to the stage of crafting a diplomatic approach to prevent conflicts.

Ultimately, members will collectively attempt conflict resolution measures while broadening cooperation in political, economic and social issues.

Foreign Minister M.R. Kasem S. Kasemsi strongly supported the forum to broaden to other issues apart from security, one Thai Foreign Ministry official said.

These stages for the evolution of the ARF process envisioned in the ASEAN concept paper won endorsement of the ministers.

Philippine Foreign Secretary Domingo Siazon said Manila wanted the forum to move ahead.

"The three-stage development procedure should help ensure that the ARF will assume, gradually but steadily, a more substantive role in promoting regional security consultation and cooperation," he said in a press release.

Deputy Foreign Permanent Secretary Sarot Chawanawirat said the participants felt comfortable in discussions including the sensitive South China Sea issue compared with the atmosphere in the forum last year.

Mr Sarot was attending the meeting as an assistant to the minister.

The first ARF was held in Bangkok last year.

Malaysia Condemns UN 'Failure' in Bosnia

BK0208085295 Kuala Lumpur Voice of Malaysia in English 0800 GMT 2 Aug 95

[FBIS Transcribed Text] Malaysian Foreign Minister Datuk Abdullah Ahmad Badawi has accused the United

Nations of giving lame excuses for its failure in Bosnia. He has urged the major powers to bring Serb attacks under control.

The minister was addressing a meeting of ASEAN nations and their seven dialogue partners in Bandar Seri Begawan today. He asked why the UN Security Council did not grant the UN Protection Force the capacity to do its job.

Malaysia was the leading force behind a statement issued on Friday by ASEAN condemning Serb attacks in Bosnia and calling for the lifting of the arms embargo.

Datuk Abdullah was speaking on behalf of ASEAN at a meeting with its dialogue partners — Australia, Canada, the European Union, Japan, New Zealand, South Korea, and the United States.

ARF Support for KEDO, Dialogue Reported

SK0108131995 Seoul YONHAP in English 1306 GMT 1 Aug 95

[FBIS Transcribed Text] Bangkok, Aug. 1 (YONHAP) — The foreign ministers of 18 Asia and Pacific countries, attending the Second ASEAN Regional Forum (ARF) in Bandar Seri Begawan Brunei, called for the resumption of South-North dialogue Tuesday [1 August].

In an 11-point joint statement, the foreign ministers said they believe resumed dialogue would be helpful to ensuring peace and stability on the Korean peninsula and also to the successful implementation of the U.S.-North Korea nuclear agreement.

Welcoming the U.S.-North Korea light-water reactor talks held recently in Kuala Lumpur, the foreign ministers said they hope the talks would serve to expedite the full implementation of the U.S.- North Korea agreement made in Geneva last October.

They noted that the Korean Peninsula Energy Development Organization (KEDO) is a mechanism intended for the implementation of the Geneva agreement, saying they recognize the need of international support for the organization.

The foreign ministers said in the statement that they encourage ARF (ASEAN Regional Forum) countries to carry on dialogue and consultations for bilateral or subregional politico-security cooperation, thus expressing support for South Korea's proposal made at the First ASEAN Regional Forum in Bangkok for the creation of a Northeast Asia multilateral security dialogue.

In his keynote speech, South Korean Foreign Minister Kong No- myong stressed the importance of the early resumption of South-North dialogue, saying that the dialogue is essential to resolving the North Korean nuclear question.

Minister Kong said the U.S. presence in the Asia-Pacific area contributes to the security of the area.

At the second forum, the participating foreign ministers centered their discussions on the issues of preventive diplomacy, sea search and rescue, peace-keeping cooperation, and confidence building measures.

The second ARF meeting was also attended by the chairman country (Spain) of the European Union.

'Concrete' Confidence-Building Measures Cited

BK0108113095 Singapore Radio Corporation of Singapore in English 1100 GMT 1 Aug 95

[FBIS Transcribed Text] The second ASEAN Regional Forum [ARF], held today in Brunei, has agreed on concrete measures to build the confidence and promote peace and prosperity in the Asia-Pacific region. The measures are contained in the ASEAN concept paper on the ARF.

Those that can be implemented immediately include dialogues on security perception, voluntary statement on defense policy, and participation in the UN Conventional Arms Register. There is also a series of other proposals for the longer term, such as a regional arms register, a regional security study center, and zone of cooperation in areas such as the South China Sea.

The participants agreed to move the ARF process on two tracks, the first to be carried out by ARF governments and the second by strategic institutes and nongovernmental organizations. For track one, three groups will be set up, each cochaired by an ASEAN country and a non-ASEAN member. They will be looking into confidence building measures, peacekeeping operations, and search and rescue cooperation.

The ministers said the ARF should proceed at a pace comfortable to all members and that after promoting confidence building, it moves into preventive diplomacy and resolving conflicts. These stages were elaborated in the ASEAN concept paper which stated the need for the ARF to develop its own mechanism for preventive diplomacy and conflict resolution. Some suggestions include having a set of guidelines to settle disputes peacefully, fact finding mission at the request of parties involved in an issue, and the regional risk reduction center.

Today's meeting was attended by foreign ministers of the 19 ARF members, including the seven ASEAN countries, China, Japan, and the United States.

On the question of participation in future's meeting, the ministers asked the next ARF chairman, Indonesia, to develop the criteria for new members.

Foreign Ministers Raise Issues at ARF Meeting

Qian Qichen Addresses Session

BK0208040795 Bangkok THE NATION in English 2 Aug 95 p A2

[FBIS Transcribed Text] Bandar Seri Begawan — Beijing yesterday announced for the first time that it is preparing to draft a defence white paper and will consider circulating it at an appropriate time.

In his opening speech to the second Asean Regional Forum (ARF) Chinese Foreign Minister Qian Qichen said Beijing was studying how to draft a "document on defence construction".

Qichen said the Chinese military strategy was defensive oriented and Beijing would continue to implement its military modernization policy.

Between 1979 and 1994, the Chinese military budget grew at an annual rate of 6.22 per cent.

He said the Chinese Army has put into force a policy to reduce the size of the army and embark on an arms modernization programme over the last ten years. The aim of the policy is to reserve a budget for the reconstruction of the country. During that time, one million soldiers have retired.

At the ARF meeting in Bangkok last year, the participants agreed that an exchange of defence white papers was among the steps towards achieving military transparency and the promotion of mutual confidence among member states.

But according to the Chairman's Statement of the second ARF meeting issued yesterday, the ARF ministers agreed to voluntarily submit to the ARF an annual statement on their defence policy.

They also noted with satisfaction the increased participation in the UN Conventional Arms Register since the first ARF meeting.

All Asean countries are members of the UN Arms Registry and have already submitted their annual arms purchases to the register.

Most developed countries including Japan, Australia and the United States circulate military white papers which cover non- classified military data.

Qichen yesterday attended the ARF meeting along with 18 other foreign ministers in the Asia Pacific Region. Apart from seven Asean states, the participants included the foreign ministers of the regional powers, the US, Japan and Russia.

Qichen said in his speech that the ARF process had played a constructive role over the past year but warned it must progress from easy to more difficult steps in search of common ground, while reserving the divergence, among the member states.

The minister admitted there were still sources of instability in the Asia Pacific region and urged all countries to adhere to the UN Charter's five principles of peaceful co-existence in settling disputes.

Kozyrev Makes Proposal

BK0208035395 Bangkok THE NATION in English 2 Aug 95 pp A1, A2

[FBIS Transcribed Text] Bandar Seri Begawan — In an attempt to hasten a snail-paced growth in its relations with Asean, Russian Foreign Minister Andrey Kozyrev said yesterday his country wanted to join Asean's 1986 Bali Treaty of Amity and Cooperation in Southeast Asia.

Kozyrev put his proposal forward in his opening speech at the second Asean Regional Forum (ARF).

The country is the third non-Southeast Asia state, after Australia and New Zealand, to express interest in joining the treaty.

An Asean diplomat viewed the Russian's unexpected move as an effort to balance its relationship with Asean in relation to China, which had been granted Asean consultative partner status together with Russia in 1993, but has since formed closer ties with the grouping.

"Now the ball is in Asean's court on how to respond to the move," the diplomat said.

Asean foreign ministers, in a joint communique issued at the end of their annual consultation on Sunday, welcomed the association of non-Asean states with the treaty as it would enhance peace and stability in the region.

Asean members, however, still disagreed over how non-Asean states could join the treaty which provided a code of conduct concerning relations of regional countries and a framework for settling disputes. Indonesia in particular has reservations about inviting outsiders to join without proper assurances. Jakarta is worried that regional powers will be legitimately able to use the High Council to their advantage when they join the treaty.

During the ARF discussion yesterday, Russia also offered to host a Track Two meeting on proposed principles towards security and stability in the Asia-Pacific region in 1996. Track Two is a seminar for academics, with government officials attending, under the framework of ARF, to produce and elaborate proposals and ideas which could later be put forward to the ministerial-level ARF.

Kozyrev during Sunday's meeting with Asean, chaired by Singapore for the first time, proposed Asean and Russia sign mutual guarantees to boost trade and investment between them.

Asean Secretary-General Ajit Singh will travel later this year to Russia to explore ways of improving Asean-Russian relations. Singh could not visit Moscow last year because of overlapping schedules.

Malaysia's Badawi Views Spratlys

BK0208150495 Kuala Lumpur THE STAR in English 2 Aug 95

[Received via Internet]

[FBIS Transcribed Text] Bandar Seri Begawan — The Asean Regional Forum (ARF) has endorsed the stand that third parties stay out of the Spratly islands dispute, with the settlement process confined only to claimant countries.

Foreign Minister Datuk Abdullah Ahmad Badawi said the 18 ARF member economies and the European Union agreed that this was the best way to keep tensions at bay.

"The other nations can only advise but cannot play a role in the settlement. All participants concurred that the South China Sea conflict is a problem which can raise tensions and it is important to maintain stability.

"The claimants understand this as the sea passage is a popular aviation and maritime route for the region," he told reporters after the conference.

The Spratlys are claimed in full or in part by China, Malaysia, Brunei, Taiwan, Vietnam and the Philippines.

The ARF also encouraged all claimants to reaffirm their commitment to the relevant international laws and Asean's 1992 Declaration on the South China Sea calling for restraint.

Indonesia's Alatas on Burma Policy

BK0208142695 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 2 Aug 95

[FBIS Translated Text] Foreign Minister Ali Alatas has called on the international community to continue the constructive engagement policy toward Myanmar [Burma] and assist that country in its reconciliation and development process. This approach is better than isolating them and imposing sanctions. Minister Alatas said this during his opening address at a dialogue session on Myanmar among the seven ASEAN members and their dialogue partners, including the United States and Canada. Speaking in his capacity as coordinator at the dialogue session on Myanmar, Alatas said that new developments have taken place in that country since the last ASEAN foreign ministers meeting in Bangkok. The new developments reflect the State Law and Order Restoration Council's serious efforts to improve political and social conditions in Myanmar.

ASEAN's constructive engagement policy is opposed by several countries, including Australia, which objects to Myanmar's accession to the ASEAN's Treaty of Amity and Friendship.

Kono Distributes Letter

OW0208012195 Tokyo KYODO in English 0102 GMT 2 Aug 95

[By Miu Oikawa Dieer]

[FBIS Transcribed Text] Bandar Seri Begawan, Aug. 2 KYODO — Japan is determined to continue taking initiatives to help build a prosperous and peaceful Asia-Pacific region by cooperating with other countries through various multilateral forums and bilateral dialogues, Japanese Foreign Minister Yohei Kono said Wednesday [2 August].

Kono vowed Japan's continued efforts to promote peace and prosperity in the region in a written statement distributed to foreign ministers of the Association of Southeast Asian Nations (ASEAN) and its seven trading partners.

Alluding to the 50th anniversary of the end of World War II, Kono's statement said Japan will pursue its Asian diplomacy based on the idea of further strengthening its bonds of mutual understanding and trust with Asian neighbors by "facing up squarely" to its history and "without forgetting remorse for the past."

When promoting regional cooperation, Japan will adopt "three principles," and it views region wide frameworks such as the Asia- Pacific Economic Cooperation (APEC) and the ASEAN Regional Forum (ARF) as being central to its efforts, it said.

The three principles assert that regional cooperation should further strengthen interdependence throughout the region, that the region should build upon the various interlocking frameworks for cooperation and that it should be open to extraregional players, and be consistent with such broader global frameworks and principles as those embodied in the United Nations and the World Trade Organization (WTO).

Kono indirectly expressed a negative view toward Japan's participation in the proposed East Asia Economic Caucus (EAEC), saying Japan should not commit itself to "groupings that are likely to prove detrimental to regional cooperation as a whole."

The EAEC was originally proposed in 1990 by Malaysian Prime Minister Mahathir Mohamed as a loose economic caucus for East Asian countries.

The seven-member ASEAN, China, Japan and South Korea are proposed as initial members of the caucus.

ASEAN groups Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam.

Its seven principal trading partners are Japan, the United States, Canada, Australia, New Zealand, South Korea and the European Union.

Meeting Ends With 'Bold' Chairman's Statement

OW0108141795 Tokyo KYODO in English 1353 GMT 1 Aug 95

[By Siti Rahil]

[FBIS Transcribed Text] Bandar Seri Begawan, Aug. 1 KYODO — Foreign Ministers from the ASEAN regional forum (ARF), a 19-member consultative grouping on security in the Asia-Pacific region, ended their second meeting Tuesday [1 August] by issuing a chairman's bold statement calling for an "immediate end" to nuclear testing.

The statement by Bruneian Foreign Minister Mohamed Bolkiah also expressed concern with the "overlapping sovereignty claims in the region," an implicit reference to the controversial South China Sea territorial dispute, which the ministers had agreed not to mention openly in the statement because of Chinese sensitivities.

On the Korean peninsula, the ministers urged a resumption of dialogue between North and South Korea, saying it would assist in maintaining peace and stability on the peninsula. They also recognized the importance of international support for the Korean Peninsula Energy Development Organization (KEDO).

The ministers voiced support for the efforts of the Cambodian Government to achieve security, promote national stability and economic recovery.

Although the statement did not name any countries, ARF officials said several ministers explicitly expressed concern during the meeting with France's plan to resume nuclear testing in the South Pacific and also made indirect reference to China, which recently conducted a nuclear test.

The countries which raised the issue, targeting France, were Australia, New Zealand and Papua New Guinea, ARF officials said.

But the European Union (EU) representative from Spain rejected a paragraph in the chairman's statement which called on member states that are signatories of the nuclear Nonproliferation Treaty (NPT) to "bring an immediate end to such testing."

A statement by EU representative Javier Solana Madriaga said the international community can call for such a ban only when a planned global treaty comes into force next year.

Chinese Foreign Minister Qian Qichen was silent on nuclear testing but was among the first to raise the South China Sea territorial row, which was also discussed intensively. "China raised it first without any provocation whatsoever," said an ASEAN official source.

He asserted that there is no tension in the South China Sea, despite the dispute, and that the issue is between China and the other claimants. He also gave assurance that there will always be freedom of navigation in the area.

Besides China, the other ARF participants which have claims on the potentially resource-rich Spratly Islands in the South China Sea are the Philippines, Malaysia, Brunei and Vietnam. Taiwan, which is not an ARF participant, is also a claimant.

Besides regional security issues, the ministers also discussed the future of the fledgling ARF, which was launched in July last year, during their one-day meeting.

The ARF chairman's statement said the forum will evolve in three broad stages, namely the promotion of confidence building, the development of preventive diplomacy and the elaboration of approaches to conflicts, which ASEAN earlier proposed to be called "conflict resolution." This new term was used to accommodate China's cautious stance toward a rapid institutionalization of the ARF.

The ministers said the ARF should develop "at a pace comfortable to all participants" and, in an apparent attempt to reassure China, the statement said the ARF process is now only at stage one, and that the forum shall continue to discuss means to implement confidence building.

The ARF shall function along two tracks, one at the governmental level and the other involving nongovernmental institutions such as think tanks.

The ministers agreed to set up an "intersessional support group on confidence building" to be co-chaired by

Indonesia and Japan. They also agreed to establish "intersessional meetings on cooperative activities," with peacekeeping meetings to be co-chaired by Malaysia and Canada, and meetings on search and rescue coordination to be co-chaired by the United States and Singapore.

On the issue of participation in the forum, the statement said the ministers have requested the next ARF chair nation, Indonesia, to develop criteria for the admission of new participants.

Countries such as North Korea, Britain, France, Kyrgyzstan, Kazakhstan and Mongolia, as well as the conference on security and cooperation in Europe, have expressed interest in joining the forum.

The statement said the ministers agreed on the principle of equal participation by all ARF members, even though ASEAN, which initiated the forum, is the primary driving force.

The ARF members are the member nations of the Association of Southeast Asian Nations (ASEAN) — Brunei, Indonesia, Malaysia, Singapore, Philippines, Thailand and Vietnam — as well as the U.S., Canada, Japan, South Korea, Australia, New Zealand, the EU, Russia, China, Laos, Papua New Guinea and Cambodia.

ASEAN Urges PRC, France To End Nuclear Tests

BK0208070595 Bangkok THE NATION in English 2 Aug 95 pp A1, A2

[FBIS Transcribed Text] Countries in the Asia-Pacific region yesterday called on France and China to immediately end all nuclear testing in the region and to sign the comprehensive test ban treaty by mid 1996.

Australian Minister for Foreign Affairs and Trade Gareth Evans and Japanese Foreign Minister Yohei Kono led a discussion on the issue at the Asean Regional Forum (ARF) yesterday while other participants expressed concern, said an Asean official who attended the meetings in the Brunei capital of Bandar Seri Begawan.

According to ARF chairman, Brunei's Foreign Minister Prince Mohamed Bolkiah, EU President Spanish Foreign Minister Javier Solana Madariaga has issued a statement reformulating the concerns of the ARF ministers.

The statement emphasizes the importance of the non-proliferation of nuclear weapons in promoting regional peace and stability and welcomes the commitment by all parties to the Non-Proliferation Treaty (NPT) to conclude a comprehensive test ban treaty by 1996.

They called upon countries planning to conduct further nuclear tests to bring about the immediate end to such testing.

They also endorsed the nuclear weapon-free zones, such as the South Pacific Nuclear Free Zone, in strengthening the international non-proliferation regime and expressed hope that nuclear weapons states would in the very near future adhere to the relevant protocol.

The ARF ministers noted with satisfaction the progress made towards the establishment of the South East Asia Nuclear Weapons Free Zone and encouraged further consultations on this issue with those states that would be significantly affected by the establishment of the zone.

In a bilateral meeting with his Chinese counterpart, Qien Qichen, Kono also asked China to refrain from resuming nuclear tests.

Foreign Ministry spokesman Takeshi Nakane quoted Kono as telling Qichen that the resumption of nuclear testing announced by France had drawn harsh reactions from the Japanese people.

"We Japanese have had bad nuclear experiences," Nakane said, referring to the nuclear bombs dropped on Hiroshima and Nagasaki at the end of World War II.

China recently resumed underground, nuclear testing on the mainland right after the NPT endorsed an indefinite extension in New York. France has also announced it will resume the testing of nuclear weapons on the Mururoa Atoll in the South Pacific.

France's announcement has drawn strong reaction from many countries including Japan and Australia.

According to Nakane, Qichen expressed hope that the Comprehensive Nuclear Test Ban (CNTB) being discussed in Geneva would be concluded as soon as possible. Kono agreed with the response from his Chinese counterpart, Nakane said.

The CNTB would call for the nuclear superpowers to end nuclear testing, a step leading to nuclear disarmament.

"Mr Kono made it clear to Mr Qichen that the NPT should not be betrayed of its confidence among the non-nuclear weapons countries," said Nakane, adding that since Japan is pursuing the ultimate elimination of nuclear weapons, all nuclear testing is contrary to the intended result.

Meanwhile, Philippines' Foreign Minister Domingo Siazon said after the ARF meeting that Manila and other Asean countries attending the morning meeting had also raised objections to the testing of nuclear weapons.

"The Philippines has a clear position on this subject, and we are mobilizing international opinion in the United Nations. In our capacity as G-77 chairman, we protest and call for a halt to all nuclear weapons testing," Siazon said.

Australia's Evans Censures Tests

BK0208061395 Melbourne Radio Australia in English 0500 GMT 2 Aug 95

[FBIS Transcribed Text] Australia has accused France and China of betraying international trust in going ahead with nuclear tests. The foreign minister, Gareth Evans, said Australia was profoundly concerned that France and China would hurt the efforts for nuclear nonproliferation and disarmament. Graeme Dobell reports that Senator Evans made this statement at ministerial talks in Brunei hosted by the ASEAN [Association for Southeast Asian Nations] foreign ministers.

[Begin Dobell recording] The implications of the withdrawal of the French ambassador to Canberra will be discussed this evening when Senator Evans meets the French minister for European affairs, Michel Barnier, who is attending the Brunei talks as part of the European Union delegation.

There have already been early exchanges during talks between Australian and French officials here with France objectiing to Australia raising the Pacific issue in a multilateral Asian forum. In his statement, Sen. Evans said that nuclear tests by both France and China lacked any justification. He said the strength of feeling in the region shows the two countries were seriously out of step. [end recording]

Japan's Kono Makes Appeal

OW0208073795 Tokyo KYODO in English 0642 GMT 2 Aug 95

[By Miu Oikawa Dieter]

[FBIS Transcribed Text] Bandar Seri Begawan, Aug. 2 KYODO — Japanese Foreign Minister Yohei Kono reiterated Wednesday [2 August] Japan's call on France to drop its plans to resume nuclear tests in the South Pacific from September, a Japanese official said.

Kono made the appeal in a meeting in Brunei with Michel Barnier, French minister in charge of European affairs. Barnier is attending the ASEAN post-ministerial conference reperesenting the European Union.

But the French side also repeated their position that the eight tests, announced in June, are aimed at ensuring the reliability of France's existing nuclear arsenal, and they will end after the series planned from September through May, the official said.

Noting that this year marks the 50th anniversary of the U.S. atomic bombing of Hiroshima, and that the Japanese have a special feeling about nuclear weapons, Kono told Barnier that it is difficult for Japanese people to understand France's decision to conduct nuclear tests, the official said.

Japan has been making great efforts to achieve the indefinite extension of the nuclear Nonproliferation Treaty (NPT) with the hope of ultimately abolishing nuclear weapons, Kono reportedly said.

He was quoted as saying it is important to respect the treaty as a universal agreement, and he urged France to halt its planned nuclear tests and make efforts to help conclude the Comprehensive Test Ban Treaty (CTBT) as early as possible.

The official said Barnier replied that he understands Japanese public sentiment, based on the nation's experience of Hiroshima. But, Barnier said, the French tests will be conducted carefully under strict conditions and will not harm the NPT's credibility.

Barnier also told Kono that after the series of tests is completed, France will sign the CTBT at the end of 1996.

Officials Agree on Theme for Asia-Europe Summit

BK3107143295 Singapore Radio Corporation of Singapore in English 1300 GMT 31 Jul 95

[FBIS Transcribed Text] Senior Asian and European officials meeting in Brunei have agreed on the theme for the Asia-Europe Summit to be held next year. It is "Towards a new Asia-Europe partnership for greater growth." They also reached consensus that the participants for the first meeting will be the seven ASEAN countries, South Korea, Japan, and China for the Asian side. The European side will include all 15 European Community, EC, members and the European Commission.

The Japanese said while they would like Australia and New Zealand to attend, they will not try to disrupt the current consensus. An official explained that the idea is to keep the first meeting small but for future meetings, countries including New Zealand and Australia will be welcomed to attend.

There was also agreement that the tentative date for the summit will be the 29th of February and the 1st of March.

Japan Accepts Australia, New Zealand Exclusion

*OW3107150795 Tokyo KYODO in English
1414 GMT 31 Jul 95*

[By Siti Rahil Dollah]

[FBIS Transcribed Text] Bandar Seri Begawan, July 31 KYODO — Japanese Foreign Minister Yohei Kono on Monday [31 July] reluctantly accepted the Association of Southeast Asian Nations' (ASEAN) decision to exclude Australia and New Zealand from the first summit of Asian and European leaders next year.

At a luncheon here of the foreign ministers of ASEAN, Japan, China and South Korea — all potential members of the ASEAN-proposed East Asian Economic Caucus (EAEC), Kono pushed strongly for the inclusion of Australia and New Zealand in the summit, ASEAN officials said.

But ASEAN foreign ministers rejected the call, saying a consensus on the participates of the Asia-Europe meeting had already been reached, the officials said.

Kono responded that he understood ASEAN's consensual approach and withdrew Japan's insistence to include the two countries.

Japan has been pushing for the inclusion of Australia and New Zealand as it fears limiting the Asian participants to east Asian nations could be interpreted as a resurrection of the EAEC, which Japan has rejected in the past due to U.S. opposition to the concept of an exclusive east Asian economic grouping.

But ASEAN senior officials agreed during a meeting with their counterparts from the European Union in Singapore in April that only the seven ASEAN countries — Brunei, Indonesia, Malaysia, Singapore, the Philippines, Thailand and newcomer Vietnam — as well as Japan, China and South Korea should participate on the Asian side.

The consensus was reached after strong lobbying by Malaysia, which hopes for early realization of the EAEC — a pet project of Prime Minister Mahathir Mohamad.

It was the second time for foreign ministers of ASEAN, Japan, China and South Korea to attend a luncheon involving potential members of the EAEC.

Soon after the luncheon, senior officials from the countries as well as the European Union met to prepare for the Asia-Europe summit, slated for Feb. 29 and March 1 next year in Thailand.

"Both Japan and South Korea expressed a preference for Australia and New Zealand to be included in the first" summit, Kishore Mahbubani, permanent secretary in Singapore's Foreign Ministry, told reporters after the preparatory meeting.

But "Japan recognized the fact that there is a consensus and Japan does not intend to disrupt the consensus," he said.

He said Japan has agreed in principle to attend the summit but may face some difficulty because the proposed date for the summit clashes with a parliamentary session in Japan.

Kono, as well as the foreign ministers of China and South Korea, are in Brunei to attend the second ministerial meeting of the ASEAN regional forum, and not specifically for the EAEC luncheon.

Kono attended the first luncheon, held in Bangkok, Thailand in July last year in conjunction with the first ministerial meeting of the ARF [ASEAN Regional Forum].

The next Asia-Europe summit, however, may prove a difficult diplomatic maneuver as no other event will be held simultaneously. Japan fears giving too clear a signal for approval of the EAEC due to U.S. objections.

Australian Foreign Minister Gareth Evans told reporters Monday "there are few countries that in fact have a greater degree of integration with the other major economies in the region than Australia and New Zealand."

Asked for his reaction to the exclusion of Australia and New Zealand from the summit, he said, "I'm utterly surprised about that, I'm utterly relaxed about it. We'd like to participate in this meeting. If that doesn't prove to be the case, so be it. It's a long time ahead in the future."

Brunei's Bolkiah Opens Postministerial Conference

*BK0208143095 Bandar Seri Begawan RTB
Sukmaindera Television in English
1300 GMT 2 Aug 95*

[FBIS Transcribed Text] ASEAN Postministerial Conference [PMC] opened today at the International Convention Center. His Royal Highness Prince Mohamed Bolkiah, in his welcoming remarks at the meeting between ASEAN and its dialogue partners, underscored the importance of the PMC, which was seen as ASEAN's mechanism for handling changes.

According to the foreign affairs minister, dialogue relations now govern not only development cooperation but also economic, political, and security matters. ASEAN regards the enhancement of consultations at both ministerial and senior officials levels as a clear sign that the postministerial conferences continue to make a most valuable contribution to ASEAN's work. Above all, it assists the regional body in formulating effective responses to developments which ASEAN feels are beginning to characterize the post-Cold War era.

His royal highness said that ASEAN recognizes challenges posed by growing levels of competitiveness in trade; rapid globalization; profound social and environmental questions; and debates on human rights, democracy, and development as potential source of divisiveness. The issue nevertheless has to be addressed and ASEAN feels that it can be best done in the tried and tested way ASEAN has developed since its first PMC in 1976. He went on to say that it constitutes a process which will enable participants of the PMC to go further than mere discussions or consultations beyond friendly pleasantries and address substantive issues of direct concern.

PMC's contributions to broadening the scope of international relations, his royal highness concluded, would hopefully provide the necessary confidence to devise and implement sound policies designed to offer the peoples of ASEAN nations a better future.

The meeting between ASEAN and its dialogue partners will end tomorrow.

ASEAN Ministers Meet With Japan's Kono

EAC Membership on Agenda

BK0208101295 Bangkok BANGKOK POST in English 2 Aug 95 p 9

[FBIS Transcribed Text] Bandar Seri Begawan — The Association of Southeast Asian Nations [ASEAN] plans yet another attempt to convince Japan of the benefits of an Asian-only club at a bilateral session with Japan today, ASEAN sources said.

ASEAN has been unsuccessful so far in getting Japan's nod to be part of the East Asian Economic Caucus which will be a key item on the agenda of today's ASEAN-Japan talks co-chaired by Foreign Minister Kasem S. Kasemsi and Japanese Foreign Minister Yohei Kono.

"ASEAN will use the opportunity to clarify its stance on the EAEC to Mr Kono in response to his recent remarks that ASEAN countries were still unable to strike a common position on the issue," said a diplomat.

Mr Kono's statement caused uneasiness in the seven-nation grouping. Malaysia proposed and ASEAN endorsed the EAEC in 1993 as an Asian-only consultative forum operating within the Asia-Pacific Economic Cooperation group.

Thailand represented ASEAN in coordinating dialogue with Japan for a year ending at this meeting.

Japan is ASEAN's dialogue partner, along with Australia, Canada, the European Union, New Zealand, South Korea and the United States.

ASEAN foreign ministers and their counterparts from China, Japan and South Korea held an informal meeting on the EAEC on Sunday.

The Japanese foreign minister reaffirmed that the caucus should be open to all APEC members, he told Indonesian Foreign Minister Ali Alatas today.

Tokyo is sensitive about the U.S. objection to the EAEC.

Kono Affirms Importance of Ties

OW0208084595 Tokyo KYODO in English 0814 GMT 2 Aug 95

[By Miu Oikawa Dieter]

[FBIS Transcribed Text] Bandar Seri Begawan, Aug. 2 KYODO — Japan wants to further intensify dialogue with the Association of Southeast Asian Nations (ASEAN) and enhance cooperative relations in all areas in light of new developments surrounding the body, Japanese Foreign Minister Yohei Kono said Wednesday [2 August].

In a meeting with ASEAN foreign ministers, Kono said Japan sees stronger ties with ASEAN as being important as the grouping enters a new stage.

Vietnam's membership, ASEAN's plans to strengthen ties with countries in Indochina and its diplomatic initiatives such as holding the ASEAN Regional Forum (ARF) security meeting and planning an Asia-Europe summit meeting next year, were cited as being among the latest developments surrounding ASEAN.

"Based on this recent evolution of ASEAN, Japan regards it particularly important at this stage that the ASEAN countries and Japan should deepen policy dialogue with both the global and regional issues on the agenda," he said.

On the political front, Japan wants to cooperate with ASEAN in fostering a three-stage development of the ARF — the promotion of confidence building, development of preventive diplomacy and expanding approaches to resolving conflicts, he said.

As for next year's Asia-Europe summit meeting, Kono said, "Japan will cooperate in this concept in a constructive manner so that it will be conducive to further development of cooperation throughout the entire Asia-Pacific region."

But he did not refer to Japan's claim that it wants Australia and New Zealand as members of the meeting, whose initial participants are expected to be the seven members of ASEAN, Japan, China and South Korea.

ASEAN groups Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam.

Kono also pointed to a need for Japan and ASEAN to cooperate in addressing global problems, such as promoting disarmament of nuclear weapons and conventional arms.

Japan strongly calls for halting nuclear experiments and for concluding negotiations on a comprehensive test ban treaty next year, he said.

He also urged ASEAN countries to participate in and make financial contributions to the korean peninsula energy development organization which is aimed at helping North Korea convert its nuclear program into one that is safer.

Regarding the economic sphere, Kono said he hopes Japanese deregulatory measures, coupled with liberalization and facilitation of trade and investment promoted by the Asia-Pacific Economic Cooperation (APEC) forum, will help increase imports from ASEAN countries.

Japan, which will host the APEC meeting in Osaka in November, will exert all efforts to produce solid results to compile an action agenda for promoting liberalization and facilitation of trade and investment in the region, he said.

The ASEAN countries on their part should work to further relax curbs on foreign investment, to beef up their industrial infrastructures and investment environments, and to enhance human resources development, he said.

ASEAN Draft on Nuclear-Free Zone Gisted

OW0208003395 Tokyo NIHON KEIZAI SHIMBUN in Japanese 30 Jul 95 Morning Edition p 4

[By Hiroyuki Okita]

[FBIS Translated Text] Bandar Seri Gegawan, Brunei — The following is a gist of a draft of the treaty on the Southeast Asia Nuclear Weapon Free Zone [SEANWFZ], which was obtained by NIHON KEIZAI SHIMBUN.

Implementation of the Treaty

The Treaty shall be implemented in territories, continental shelves, and exclusive economic zones of the Parties.

Basic Requirements

The Parties shall not develop, acquire, or own nuclear weapons within or outside the nuclear-free zone. They shall not place nuclear weapons under their influence. The deployment, testing, and use of nuclear weapons are also prohibited. The dumping of nuclear waste and radioactive substances are prohibited on lands and in waters of the nuclear-free zone.

In territories, territorial waters, and other areas under their legal control, the Parties shall use nuclear substances and nuclear facilities for peaceful purposes only. The Parties shall support nuclear nonproliferation efforts by the nuclear Nonproliferation Treaty (NPT) and the International Atomic Energy Agency (IAEA). Nuclear waste and radioactive substances should be disposed of according to IAEA regulations and procedures.

Peaceful Use of Nuclear Energy

The Parties shall not disturb other Parties' use of nuclear energy when it is carried out for peaceful purposes in accordance with the Treaty.

Foreign Sea and Air Traffic

This Treaty does not affect the rights of foreign sea and air traffic, such as the rights on innocent passage and passage of archipelago zones, the 1982 regulations of the UN Conference on the Law of the Sea, and the UN Charter. When transit and passage of territorial waters and archipelago zones by foreign vessels and aircraft are not based on those rights, each Party shall decide whether or not the entrance should be permitted at its own discretion.

Foundation of the SEANWFZ Committee

The SEANWFZ Committee shall be founded, and the General Assembly and the Standing Committee shall be prepared under it. The foreign minister of each party shall serve as its representative to the General Assembly. The main functions of the Standing Committee include: 1) Conducting appropriate inspection measures according to administration rules; 2) examining visibility requests and taking necessary actions; 3) appointing members of inspection teams; and 4) examining and approving inspection results and reporting them to the General Assembly.

IAEA Safeguard Measures

The Parties which have not yet accepted IAEA safeguard measures for the peaceful use of nuclear energy shall adopt the IAEA policy within 18 months after effectuation of the Treaty.

Visibility Requests

The Parties have a right to request clear explanations when other Parties' observance of the Treaty is in question. The Parties shall respond promptly to visibility requests addressed to them, and submit necessary information to the Standing Committee.

Corrective Measures

When a violation of the Treaty by a Party is observed, the SEANWFZ Standing Committee should take all possible measures to enforce the Treaty within a reasonable period.

Review

A General Assembly session should be convened 10 years after the effectuation of the Treaty to review its functions.

Settlement of Disputes

Disputes concerning interpretation of the Treaty shall be peacefully settled under consensus among signatories.

Terms of Validity and Withdrawal

The treaty shall remain in force indefinitely. The Parties may give notice to other Parties at the General Assembly of their intention to withdraw from the Treaty, in which case the Parties will be allowed to withdraw from the Treaty 12 months after such notice has been given.

Japan

Filmmakers Criticize Kodak for High Rebate Rate

OW0108233195 Tokyo NIHON KEIZAI SHIMBUN in Japanese 31 Jul 95 Morning Edition p 11

[FBIS Translated Text] A Japanese photo film industry source has disclosed how the rebate system of the Eastman Kodak Company works in the United States. According to the "Trade Circular" distributed to retail stores by Kodak direct salespersons, a 4-percent rebate is paid to every retail store on purchases exceeding the previous year's purchases. If retailers fail to meet the target, the rebate is not paid. Eastman Kodak of Japan says, "The terms of trade are common and open to every retail store." However, Fuji Photo Film Company aired a criticism: "The progressive rebate rate of 4 percent is high; thus, such a rebate system has a good chance of excluding other companies from the market" (says a legal affairs department official).

According to a 1995 Kodak "Trade Circular" on rebates, entitled "Volume Incentive Plan (VIP)," a certain amount over the previous year's level is set as a goal every six months or one year. The progressive rebate rate is either 4 percent or zero. Only the amount directly purchased from Kodak U.S.A. qualifies for the rebate, so the cheaper reimported products from Europe are not included. Also, the applicable items are limited to four.

It is said that this "Trade Circular" is distributed to all U.S. photo film retail stores and that the rebate arrangement is not an individual contract. However, Fuji Photo Film Company, the target of Kodak's complaint, points out Kodak's exclusionism, saying: "If the U.S. giant Kodak enforces a high progressive rebate rate system at 4 percent, other companies will not be able to make inroads into the U.S. market unless they set much lower prices than Kodak's" (says a legal affairs department official).

On the other hand, Eastman Kodak criticizes "Fuji Film's extremely high progressive rebate, which violates the anti-monopoly law, obstructs competition, and sustains its selling price." Fuji Photo Film Company is going to publish its refutation of Kodak's complaint on 31 July. The war between Fuji and Kodak by propaganda and exposes is expected to escalate.

Konica To Stay Neutral in Film Dispute

OW0208093995 Tokyo NIHON KEIZAI SHIMBUN in Japanese 1 Aug 95 Morning Edition p 9

[FBIS Translated Text] With regard to sharp retorts between the U.S. and Japanese giant filmmakers, President Takanori Yoneyama of Konica Corporation says: "As Konica is not a direct target of the U.S. complaint, it tries to watch the trend of the conflict with a neutral stance." Besides, he mentions as follows:

It is not right for Fuji to supplant the issue of the Japanese film market's exclusionism for another issue by pointing out that Kodak is also doing the same thing in the U.S. market. Fuji should not only blame Kodak but also look at the Kodak's demands calmly. Kodak asserts that it cannot gain access to the Japanese market. Business practice that the Japanese photo film industry takes for granted may seem inscrutable and exclusionist for the United States. Therefore, Fuji should consider this point.

Konica's sales subsidiaries also handle Kodak's products, and is not guilty of conduct criticized as exclusionist. It is hard to say whether Fuji's sales practices are unfair, but it is certain that 70 percent of the film share by Fuji Photo Film Company by itself has become an obstruction to the other companies to expand their sales. Konica wants 30 percent of the share in the Japanese market. However, since the common idea that Fuji's products sell well has been implanted among the distribution companies, it is hard for Konica to gain more than 20 percent of the market share.

Numerical Targets of Auto Talks Reviewed

OW0208061895 Tokyo ASAHI SHIMBUN in Japanese 25 Jul 95 Morning Edition p 4

[Article by the Economic News Department and General Bureau for America: "An Analysis of the Japan-U.S. Auto Accord: U.S. Attitude Changed on the Numerical Targets"]

[FBIS Translated Text] The automobile dispute between Japan and the United States, under negotiation for nearly two years, reached a unexpected agreement at the 11th hour at a meeting between Minister Ryutaro Hashimoto of International Trade and Industry and U.S. Trade Representative [USTR] Mickey Kantor after the U.S. Government had set a late June deadline for imposing sanctions against Japan.

Subsequently, there has been a glaring gap between the Japanese Government, which claims that it was able to "avert" numerical targets for auto parts purchases (according to the Ministry of International Trade and Industry [MITI]), and the United States, which declares that it will "aim at increasing [parts procurement] by $9 billion in three years" (according to President Bill Clinton).

Looking back at the negotiation process, it becomes apparent that the overeagerness on both sides to reach some form of an "agreement" resulted in an unusual accord, with the two sides claiming different things, leaving room for making one-sided interpretations for domestic audiences later.

Japanese Draft Selected

"This looks fine. Who drafted this?"

USTR Kantor picked up the Japanese draft from the table where both the Japanese and U.S. drafts of the joint statement had been placed.

MITI Minister Hashimoto lost no time in following this up. "If you think this is fine, we have an agreement." Hashimoto extended his hand for a handshake.

This transpired at the USTR's Geneva office a few minutes past 1100 on 28 June (0600 Japan Time), less than one day before the deadline for the U.S. sanctions. Hashimoto and Kantor had just entered the conference room where heated exchanges on the joint statement had taken place at the subcabinet level. Kantor opted for the Japanese draft.

The U.S. draft included the "U.S. Government projection" of the increase in the number of Japanese dealers selling U.S. cars, while the Japanese draft proposed to include in a separte document both the U.S. estimate and the stipulation that "the Japanese Government is not involved with this estimate." Japan thought that in this way, the crucial issue of "numerical targets" "could be avoided" (according to a top MITI official).

The subcabinet level talks, which ended in a deadlock, had continued from 27 June to 0400 the next day. The United States consistently insisted on "numbers" to show increases in parts procurement and other areas. In response, Japan asserted that "the government's noninvolvement" should be clearly indicated. Yoshihiro Sakamoto, deputy vice minister of MITI, and Ira Shapiro, (then) legal counsel to the USTR, had failed to agree on how to include both positions in the joint statement; and at one point, they had even exclaimed, "We might as well forget our points of agreement so far and start from scratch."

Turning Point Came After Voluntary Plans Were Presented

Things began to change after subcabinet talks were suspended at 0600. Kantor, who was briefed by Shapiro on the "deadlocked negotiations," ordered that the Japanese side be informed of his wish to advance the ministerial talks by two hours and 30 minutes from the original schedule and start by 0830.

When the ministerial talks resumed, Osamu Watanabe, director general of MITI's Machinery and Information Industries Bureau [MIIB], handed the U.S. side a three-page summary of the Japanese carmakers' plans for overseas operations and the full text of Toyota Motor Corporation's plan.

The U.S. side did not react immediately. Until Kantor approved of the Japanese draft for the joint statement at 1100, the Japanese side was not aware of the change in the U.S. position. However, a senior U.S. Government official recalls that at the moment the copies of the Japanese carmakers' plans were received, he sensed that "concrete numbers, which never came up during the negotiations, were there." Subsequently, only final touches on the joint statement were made until the early evening of 28 June.

The joint news conference by Hashimoto and Kantor started at the hotel at 1830.

Glaring Gap in True Intentions

Although the two men announced their agreement at the news conference, the documents that both sides distributed outside the news conference room clearly reflected the gap in their true intentions.

The Japanese side distributed English and Japanese versions of the text of the joint statement that included the statement that "the Japanese Government is not involved with [the numbers]." The increase in parts procurement and in other areas projected by the U.S. side was left blank in the document. A senior MITI official explained the "blanks" by saying that "all the U.S. negotiators are busy computing with their calculators; they could not make it in time."

On the other hand, the U.S. side handed out a "fact sheet" that carried all the "numbers" indicating the U.S. projection for the future but did not say a single word on "the Japanese Government's having nothing to do with this." This could have been misundertood to mean Japan had approved of "numerical targets." Thus, at a news conference held at 2030, Masahide Ochi, adviser to the Ministry of Transport, was so exasperated that he called the sheet a "mysterious document."

The U.S. Government explained that the Japanese side had distributed the draft of the joint statement, which "should not have been handed out yet" (according to a senior U.S. Government official). However, on the next day, it handed out to the press an English text containing the statement "the Japanese Government is not involved with the numbers."

Testimonies from both sides are unanimous that they were not able to agree on how to make press statements at the conference table. Regardless of the explanations given, it is believed that both sides wanted to make press releases favorable to themselves.

MITI Suggested Operational Plans to Carmakers as Possible Solution

The amount of parts procurement and future figures for the car marketing network included in the joint statement are clearly "the United States' forecast and projection, and the Japanese Government is not involved with them." This seems to mean that a solution was found to the issue of "numerical targets," the greatest point of contention between the two countries. However, Japanese and U.S. officials offer contradictory explanations of these figures, and this may become a source of future friction.

From the negotiation process, it is clear that the Japanese side's presenting the carmakers' operational plans was the single most important factor in leading the United States, which had been insisting on numerical targets, to come to an agreement.

MIIB Director General Watanabe suggested the compilation of these operational plans to the carmakers in mid-June, because Kantor had shown an interest in the Japanese proposal for internationalization of automobile production at the auto talks in Canada in May. At that time, no numbers were involved, but the Japanese side thought that "if these plans become more concrete, they may bring a solution."

The carmakers' plans, which formed a 5-cm-thick volume, were finally completed during the early hours of 24 June, with very little time left before the ministerial talks in Geneva. The plans also included future car production figures for North America. However, "passages that might be misunderstood as commitments for the future were changed" (according to a senior MITI official).

The announcement of these plans was also ordered by MITI. At around 2300 on 28 June, Japan time, MITI informed Toyota Motor and the other carmakers through their officials in Geneva that "they should announce their operational plans, stating that this is an effort to make a modest contribution to an agreement between Japan and the United States." Although the operational plans were supposed to be "compiled by each company voluntarily," MITI was actually deeply involved.

The operational plans did not include an amount for parts procurement from the United States. At the negotiations on 28 June, the Japanese side noted that "the carmakers' operational plans mentioned 'continuous efforts to seek the application of tax exemption under the North American Free Trade Agreement (NAFTA).'" Based on this, the U.S. side could calculate the volume of local parts procurement for Japanese cars manufactured in the United States. The U.S. side claims that "the Japanese side was involved in the calculations." Although there is contradictory testimony from Japanese and U.S. sources, it seems that in order to find a solution to the tough negotiations, the Japanese side probably offered surreptitious hints to help the U.S. side.

With regard to imports of U.S. parts for cars manufactured in Japan, a source on the U.S. side asserts that "our basis was the Japanese plan to purchase a total of $6 billion worth of foreign-made parts, including U.S. parts, in the next three years." The Japanese side denies this, saying: "This is impossible. It is a complete lie" (according to MITI).

Furthermore, regarding the number of dealers selling foreign-made cars, Japan refused to the very end to come up with a figure. As a result, the U.S. side simply incorporated the Big Three U.S. automakers' demand that foreign car dealerships "should increase by 200 in one year and reach a total of 1,000 in the year 2000" as a target in the joint statement.

As to the nature of this figure, the U.S. side argues that "Japan explicitly said that it does not object to the U.S. estimate." On the other hand, the Japanese side maintains that "the joint statement says 'the Japanese Government is not involved with the estimate.' Maybe that is why the United States interprets this as 'no objection.'"

There are subtle differences in the two sides' explanations about the figures. The United States wants to emphasize the Japanese Government's involvement as much as possible in order to make the figures virtual "numerical targets pledged by the government." On the other hand, the Japanese side claims that "the bottom line of our position has been accepted" (according to a senior MITI official); it strives to minimize the government's involvement. Such maneuverings by the two countries are expected to continue for some time.

Christopher, Kono To Pave Way for Clinton Visit

OW0208103995 Tokyo KYODO in English
1015 GMT 2 Aug 95

[FBIS Transcribed Text] Bandar Seri Begawan, Aug. 2 KYODO — U.S. Secretary of State Warren Christopher and Japanese Foreign Minister Yohei Kono agreed Wednesday [2 August] to do their best to pave the way for a successful visit to Japan by U.S. President Bill Clinton in November, Japanese officials said.

Christopher and Kono agreed to aim for revision of a bilateral pact at a scheduled ministerial meeting of the two nations in late September, the officials said.

Under the bilateral pact, Japan subsidizes U.S. bases in Japan by paying the salaries of Japanese workers at the bases and expenses for utilities.

The pact is to expire in March 1996 and Washington has been looking for a new pact that would pave the way for Japan to shoulder more of the cost of running the bases.

Clinton is scheduled to make a state visit to Tokyo when he comes for the Asia-Pacific Economic Cooperation (APEC) forum in Osaka in November.

Christopher and Kono also agreed it is important to develop bilateral economic relations, the officials added.

The U.S. and Japan reached a bilateral agreement on auto trade in Geneva in late June. Two weeks after the auto trade accord, the two countries also settled their aviation dispute.

U.S. Military Injected Islanders With Chromium

OW0108145695 Tokyo KYODO in English
1446 GMT 1 Aug 95

[FBIS Transcribed Text] Hiroshima, Aug. 1 KYODO — The U.S. Atomic Energy Committee (AEC) injected 10 Marshall Islanders with chromium in 1959 to study the effects of radioactivity from nuclear testing of five years before, a Japanese photojournalist said Tuesday [1 August].

Kosei Shimada corrected testimony, given earlier in the day by the head of a village on the South Pacific islands at an international symposium in Hiroshima, that the 10 islanders were injected with plutonium.

Village chief Nelson Anjain told the symposium commemorating the 50th anniversary of the atomic bombings of Hiroshima and Nagasaki that plutonium injections were given to Marshall Islanders who had already been irradiated by U.S. hydrogen bomb tests at Bikini Atoll.

"It was not plutonium but chromium," said Shimada, who studied the affair on site and also U.S. documents concerning the case.

"AEC doctors injected the material into 10 islanders in 1959, five years after the test," he said. It was aimed at examining the effects of the radioactivity on the islanders.

Anjain told the symposium that while in Washington in March, a lawyer advising him on compensation negotiations with the U.S. Government told him the Marshall Islanders were given the injections on a boat returning to Rongelap Island from an island where they had been sheltered from the tests. Anjain said the lawyer found the information in documents obtained from the U.S. side. He said he was on the boat at the time, but was not given an injection.

He said it appears the U.S. military was researching the long-term effects of nuclear contamination by choosing 10 islanders who were exposed to fallout from the March 1954 Bikini Atoll blast and 10 who were not.

The symposium was co-sponsored by the Geneva-based UN Special Nongovernmental Committee for Disarmament and a Japanese preparatory committee which includes survivors of the 1945 atomic bombings of Hiroshima and Nagasaki, along with Nobel Prize winning Japanese writer Kenzaburo Oe as its advocator.

Some 70 specialists and victims of nuclear testing from 20 countries are participating in the symposium, including representatives from the United States, Russia and the Marshall Islands.

The three-day symposium, which began Monday, is debating compensation attempts related to harm caused by atomic bombs and the nuclear arms race.

Tokyo, Moscow Agree To Improve Bilateral Ties

OW0108132395 Tokyo KYODO in English
1313 GMT 1 Aug 95

[By Miu Oikawa Dieter]

[FBIS Transcribed Text] Bandar Seri Begawan, Aug. 1 KYODO — Japanese Foreign Minister Yohei Kono and his Russian counterpart Andrey Kozyrev reconfirmed Tuesday [1 August] that the two countries should promote ties based on the 1993 Tokyo Declaration, designed to solve the longstanding bilateral territorial dispute, a Japanese official said.

Kono and Kozyrev also agreed during talks in Brunei that Tokyo and Moscow will begin preparations for Kono's visit to Russia, the official said.

They also agreed to hold subcabinet-level working-group meetings to discuss the territorial row and other bilateral problems Sept. 8 in Moscow to pave the way for Kono's Moscow trip, and reconfirmed that subcommittee meetings on bilateral trade and a joint economic committee will be held in Moscow this fall.

Kono and Russian First Deputy Premier Oleg Soskovets agreed last November to set up the cabinet-level government committee to discuss trade and economics and to co-chair the committee.

Also during the 20 minutes of talks, Kono and Kozyrev agreed to hold a third round of negotiations on fishing rights in waters off the disputed Russian-held islands off

Japan's northernmost major island of Hokkaido from Aug. 30 to 31 in Tokyo, the official said.

Russian patrol boats have fired upon Japanese fishing vessels operating in the waters near the four disputed islands and have detained Japanese fishermen.

Kozyrev agreed with Kono that it is important to solve the longstanding bilateral territorial row based on the Tokyo Declaration and fully normalize relations between the two countries, according to the official.

The declaration, signed between the two countries in October 1993 when Russian President Boris Yeltsin visited Japan, calls for solving the dispute based on "law and justice."

Japan has been demanding the return of the four islands — Etorofu, Shikotan, Kunashiri and the Habomai islets — seized by the former Soviet Union at the end of World War II.

Kono told Kozyrev that he will visit Russia with a strong determination to make specific progress on the territorial problem.

But Kozyrev said he hopes "difficult problems," apparently referring to the territorial dispute, will not delay Kono's trip and that he hopes the visit will be realized by the end of the year.

Japanese officials said the timing of the Moscow trip has yet to be ironed out.

Kono and Kozyrev are in Brunei to attend a series of annual talks involving the Association of Southeast Asian Nations (ASEAN) and its dialogue partners.

Tokyo Seeks Cooperation With European Firms

OW0208003995 Tokyo YOMIURI SHIMBUN in Japanese 29 Jul 95 Evening Edition p 3

[FBIS Translated Text] According to a Ministry of International Trade and Industry [MITI] source, Japan will cooperate with the European countries to launch joint projects by the private sector in building social infrastructure and in other fields in the Southeast Asian countries, China, India, and other Asian countries, the growth center of the world. Japan has already reached agreement with the UK on cooperation in Asia.

For example, in India, the UK has already proposed four private-sector cooperation projects, including the building of production facilities and infrstructure.

The UK will also send an economic mission to India to coincide with a visit of MITI's Study Group on the Indian Economy (an unofficial study group reporting to the director general of the International Trade Policy Bureau) in November. Concrete plans for the projects will be considered after consulting the Indian government.

Through the joint projects with Japan, the UK hopes to 1) spread out investment risks by working together with Japanese companies that have close relations with Asia; 2) take advantage of the Official Development Assistance (ODA) offered by Japan to Asia; and 3) strengthen ties between Japanese and British companies.

For Japan, this is expected to facilitate investment in India, with which the UK has strong traditional ties, and expand the investment activities and cooperative endeavors of Japanese companies in Asia.

There are similar discussions going on between Japan and France and between Japan and Germany. It is believed that stronger cooperation between Japan and Europe in the Asian market can be expected in the future.

Kono Hints at Resuming Yen Loans to Burma

OW3107083895 Tokyo KYODO in English 0725 GMT 31 Jul 95

[By Miu Oikawa Dieter]

[FBIS Transcribed Text] Bandar Seri Begawan, July 31 KYODO — Japanese Foreign Minister Yohei Kono hinted during talks with Myanmar [Burma] Foreign Minister Ohn Gyaw on Monday [31 July] that Japan may resume official yen loans to Myanmar following that country's recent release of pro-democracy leader Aung San Suu Kyi from house arrest.

Kono told Ohn Gyaw during 20 minutes of talks at the Brunei International Airport that Japan has been limiting economic aid to Myanmar but it will review its policy following Myanmar's "great and brave decision" to release Suu Kyi, a Japanese Foreign Ministry official said.

Although Kono did not directly refer to the resumption of yen loans, he told Ohn Gyaw that Japan wants to discuss with Myanmar about possible projects to be financed by Japanese official development assistance (ODA), the official said.

Kono also told Myanmar's foreign minister that the Japanese Government is considering offering grant-in-aid for a project to improve a school to train nurses.

The Japanese official who briefed reporters said about 1.5 billion yen to 2 billion yen in grant-in-aid is being considered for the project and that a government survey mission plans to visit Myanmar later this month.

Japan suspended ODA to Myanmar after a military coup in 1988, and has limited its aid to small-scale humanitarian aid.

Last March, Japan extended 1 billion yen in food aid to minority groups in Myanmar, a move government officials described as an attempt to convey a message to Myanmar to make further efforts to return the country to democratic rule and improve human rights.

Kono arrived in Brunei from Singapore to attend annual ministerial talks involving the Association of Southeast Asian Nations and its major trading partners.

Ohn Gyaw told Kono that Myanmar released Suu Kyi based on domestic law procedures, the official said.

Myanmar's priority is to promote national reconciliation and improve the welfare of people in frontiers, he was quoted as saying, adding that he hopes a constitution being discussed now will boost domestic social and economic development.

Kono told Ohn Gyaw he believes Myanmar could "sweep away misunderstanding" from the international community and win respect and trust if it continues to move toward the "right direction" and steadily promotes nation-building, the official said.

But the official said it is not clear what Kono meant in referring to the international community's "misunderstanding" toward Myanmar.

MITI Survey Shows High Yen Curbing Exports

OW0108144195 Tokyo NIHON KEIZAI SHIMBUN in Japanese 29 Jul 95 Morning Edition p 5

[FBIS Translated Text] The Ministry of International Trade and Industry [MITI] announced outcomes of a survey on "domestic industrial hollowing-out and foreign investment." According to these results revealed on 28 July, 52 percent of domestic enterprises think they are now facing "deteriorated business performance and profit losses" due to the yen's appreciation since last March. Not only Kanto, Chubu, and other areas that are dependent on export-oriented industries are hard hit by the strong yen, but an additional sign of an adverse effect on employment is now detectable as a great number of companies start branching out in foreign countries.

MITI bureaus in all parts of Japan conducted the survey during late June to early July by interviewing 355 major and small enterprises.

When it comes to foreign investment, two-thirds of companies participating in this survey — combined with those who said "foreign advancement has already done" and those who said "it is under consideration" — indicated their positive attitude.

Another finding is an increase in foreign parts procurement by domestic makers. Three years ago, an average procurement ratio was only 6.6 percent, but this time it raised up to 10.4 percent. With this, MITI anticipates that the proportion will surpass 20 percent in three or five years.

The survey also discovered forthcoming changes in the employment situation as a result of transferring production plants abroad. For example, 52 percent of companies said they will "decrease employees by cutting the number of new recruiters." In addition to that, 31 percent noted the need for "freezing wages to cut expenses."

Takemura Announces Measures on Strong Yen

OW0208045495 Tokyo NHK General Television Network in Japanese 0300 GMT 2 Aug 95

[Announcer-read report; from "NHK News" program]

[FBIS Translated Text] Finance Minister Takemura announced a nine-item measure to address the strong yen problem in a news conference at the Finance Ministry that began at 1100 today [0200 GMT]. One measure enables life insurance companies to provide foreign currency-based loans to other countries; others aim at promoting institutional investors' overseas investments.

[Begin recording of Takemura remarks] I believe that the present foreign exchange market is in a process of orderly reversal, which has been affirmed by the G-7 and at other international meetings. I think in order to secure this trend and promote further the correction of yen appreciation and dollar depreciation, it is very important to promote Japanese investments and loans overseas. [end recording]

The announced measures are made up of two parts — one applicable to institutional investors like life insurance companies and the other applicable to public institutions like the Export and Import Bank of Japan. As a measure to promote demand for the dollar through deregulation, the ministry will make it possible for life insurance companies to extend credits in foreign currencies.

Previously, when the insurance companies made yen-based loans overseas, they were required to do so on condition that their contributions not exceed 50 percent of total loan amounts. This so-called 50-percent rule will be abolished, and the insurance companies will be allowed to make loans for the whole amounts by themselves.

Furthermore, to use public institutions in helping Japan's surplus money flow back overseas, Japan will actively take part in the loans to be provided by the World Bank to assist in programs for restructuring of developing countries' industries.

Our reporter reports from the Finance Ministry:

[Begin recording] The reason the Finance Ministry made a special announcement on ways to address the strong yen problem this time is that the yen remains at a high level, in the 80's per dollar, and the ministry thinks this is a major impediment to the recovery of the economy. By implementing these measures, the ministry wants to urge Japan's institutional investors — such as life insurance companies, which have a big influence on the exchange market — to buy more dollars and thus to put a clamp on the trend of the strong yen and weak dollar. However, institutions like the life insurance companies have had a tough time with their operations since the bursting of the bubble economy and have been very wary about making loans and investments overseas.

Finance Minister Takemura called the measures effective ones, but apparently it will take time to find out if the measures will really contribute to lowering the strong yen. [end recording]

'Official' Text of Yen Measures

OW0208071895 Tokyo KYODO in English
0644 GMT 2 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 2 KYODO — The following is the official full text of a comprehensive yen-curbing package announced by finance minister Masayoshi Takemura on Wednesday [2 August].

The yen's movements in recent exchange markets still remain around the level that cannot be justified by the economic fundamentals, though some correction of excessive appreciation of the yen is observed. One of the main reasons is that overseas investments and loans from Japan have not recovered enough, while Japan's current account surplus has been steadily decreasing.

The most recent movements of exchange rates are considered to be on the process of "orderly reversal," which was agreed on at the G-7 meeting on April 25 and which was reconfirmed at the Halifax summit meeting. To ensure this movement and to correct further the misalignment of yen-dollar exchange rates, it is essential to promote overseas investments and loans from Japan.

Against this background, the Ministry of Finance decided to implement the following measures.

The Ministry of Finance will make efforts to correct further the misalignment of yen-dollar exchange rates by keeping close cooperation with other relevant authorities as well as by promoting overseas investments and loans through these measures.

1. Promotion of Overseas Investments and Loans by Institutional Investors

(1) Foreign-currency-denominated external loans by insurance companies are to be liberalized.

(2) Restrictions on yen-denominated external loans by insurance companies (so-called 50 pc rule) are to be removed.

(3) The offshore seasoning period on euroyen bond issues by nonresidents is to be removed immediately and completely.

(4) The following accounting methods with respect to foreign bonds owned by institutional investors are to be allowed.

A. With regard to the evaluation of U.S. Treasury bonds where only cost method has been allowed, companies are to be able to adopt either the market method or the cost method, which makes the treatment equal to that for the Japanese Government bonds.

B. With regard to the evaluation of listed bonds, the adoption of different methods (i.e., either the cost method or the market method) is to be permitted for yen-denominated bonds and foreign-currency-denominated bonds, respectively. This measure is expected to facilitate the adoption of the cost method for nonresident issued euroyen bonds.

The Ministry of Finance confirms that the application of the so-called 15 pc rule is within each company's discretion, i.e., each company can decide whether or not to count the valuation loss in foreign-currency-denominated bands when foreign exchange rates moved significantly.

(5) The regulation on foreign exchange positions imposed on authorized foreign exchange banks is to be eased to promote their yen asset to be invested into foreign-currency-denominated bonds.

2. Promotion of Financial Cooperation Through Official Institutions

The funds for development initiative of 1993, involving to the sum of 120 billion dollars and carried out by the official institutions, is to be enhanced further through the following measures.

(1) Structural adjustment loans to developing countries are to be positively promoted.

(2) The number of countries eligible for untied loans from Jexim [Japan Export-Import Bank] is to be expanded. Foreign-currency-denominated loans by Jexim are to be activated to meet the vigorous demand.

(3) Annual government-yen-loan recipients through OECF [Overseas Economic Cooperation Fund] are to be increased. The Special Assistance for Project Formation (Saprof) from OECF is to be further enhanced.

(4) Investment in foreign bonds by the official institutions is to be further promoted.

'Main Points' of Measures

OW0208032595 Tokyo KYODO in English 0313 GMT 2 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 2 KYODO — The following are the main points of a comprehensive package of steps to correct the strong yen, announced by Finance Minister Masayoshi Takemura on Wednesday [2 August]:

— Current yen-dollar rate does not reflect fundamentals.

— Institutional investment into foreign currency-denominated securities will be encouraged.

— Insurers will be permitted to offer dollar-denominated loans to foreign capitals.

— Curbs on inflows of nonresidents' Euroyen issues in Japan will be scrapped immediately.

— Foreign-securities account practices by institutions will be allowed, making U.S. treasuries equal to Japanese Government bonds.

— Japanese public funds, like postal savings and insurances, will continue to support the 120 billion dollar program to help developing countries restructure.

— Japanese public funds are encouraged to undertake dollar- denominated portfolio investment.

Takemura Welcomes Yen's Fall

OW0208093895 Tokyo KYODO in English 0931 GMT 2 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 2 KYODO — Finance Minister Masayoshi Takemura on Wednesday [2 August] welcomed the yen's fall against the dollar and the rise in stock prices following his announcement of a comprehensive package to curb the high yen.

"If such movements are in reaction to the announcement of our package, they are very welcome," Takemura said at a news conference.

Earlier in the day, at a hurriedly called press conference, Takemura announced the yen-cooling package of steps to promote overseas investment and loans by Japanese investors.

The government will do its utmost to significantly improve Japan's current account imbalance in capital by encouraging outflows of Japanese funds, Takemura said.

On the disposal of the financially troubled Cosmo Credit Corp., Takemura said Tokyo Gov. Yukio Aoshima made the right judgment to suspend its operations in the face of an outflow of deposits.

Takemura said, however, that Aoshima is wrong to say the Cosmo disposal plan is quite different from a government-led scheme to dispose of two Tokyo-based credit unions.

The Tokyo Metropolitan Government, which supervises credit unions in Tokyo, decided to use public funds to protect depositors at Cosmo Credit.

The metropolitan government, however, delayed a decision to provide financial aid for the disposal of Tokyo Kyowa Credit Association and Anzen Credit Bank, which were dissolved due to lax management.

Takemura reiterated that the basic policy of both disposal schemes is the same, saying they are aimed at protecting depositors and maintaining a stable financial system.

Takemura said that in line with such a basic policy, he will try to reach a common perspective with Aoshima.

Igarashi Says Yen Measures 'Appropriate Policy'

OW0208085795 Tokyo KYODO in English 0840 GMT 2 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 2 KYODO — A new package of measures aimed at reversing the yen's rise is an "appropriate policy" in terms of its market impact, a top government spokesman said Wednesday [2 August].

"It appears to have affected market movements quickly and considerably," Chief Cabinet Secretary Kozo Igarashi told a news conference.

"I think an appropriate policy has been laid out," he said.

On Wednesday morning, Finance Minister Masayoshi Takemura called an emergency news conference and announced the package of measures to promote overseas investment and loans by Japanese investors.

After that, the U.S. dollar rose sharply against the yen after hitting 90 yen sharp for the first time in about four and a half months in Tokyo. Stock prices also surged here.

The U.S. unit was changing hands at 89.87-92 yen at 5 p.m., up from 88.10-15 yen at 9 a.m. and late Tuesday's quote of 88.05-15 yen in New York.

In parallel, share prices advanced with the benchmark Nikkei stock average closing at 16,720.75, up 362.18 points from Tuesday. The main market indicator recorded a 318.96-point slide Tuesday.

Takemura Discusses High Yen Countermeasures

OW0208053995 Tokyo ASAHI SHIMBUN NEWS CONFERENCE REPORT in Japanese 0339 GMT 2 Aug 95

[News conference by Finance Minister Masayoshi Takemura with unidentified reporters at the Ministry of Finance at 0200 GMT on 2 August]

[FBIS Translated Text] [Takemura] Good morning. The Finance Ministry made a decision today on measures to promote overseas investments and loans in order to rectify the trend of yen appreciation.

Recent trends in the foreign exchange market have shown a tendency to correct the appreciation of the yen and the depreciation of the dollar. But the basic trend of yen appreciation and dollar depreciation, which is not justified by the economic fundamentals, continues. One possible reason is that while Japan is steadily reducing its current account surplus, Japanese investments and loans overseas have not fully recovered.

I believe that the present foreign exchange market is in a process of "orderly reversal," which has been affirmed by the G-7 and at other international meetings. I think in order to secure this trend and promote further the correction of yen appreciation and dollar depreciation, it is very important to promote Japanese investments and loans overseas.

The present package has been compiled based on such thinking. The main pillars of the package consist of promoting overseas investments and loans and enhancing financial cooperation by public institutions. The director general of the International Finance Bureau [IFB] will give you a detailed explanation.

The Finance Ministry intends to promote Japanese overseas investments and loans by implementing the measures included in the present package. It will also continue to cooperate closely with the concerned nations to work on correcting the trend of yen appreciation and dollar depreciation.

The details will be given by the IFB director general.

[Reporter] Which do you think is the most important item in the package?

[Takemura] There are quite a few. I have just said that there are two main pillars, but I think the basic thing is promotion of overseas investments and loans by institutional investors. In this regard, we will rescind the 50-percent rule on yen loans offered by insurance companies overseas. Of course, another important item is the lifting of the ban on insurance companies' foreign currency loans, which can be regarded as a deregulatory measure. I have cited these two, but there are many more. We believe that we have come up with very drastic measures.

[Reporter] Under the situation of serious devaluation of the domestic assets of the Japanese institutional investors, do you think that these measures can really promote investments overseas by merely removing the barriers?

[Takemura] In the past, [Japanese companies] actively invested overseas. But amid the continuing trend of yen appreciation, they have now taken a very negative attitude. It is said that there has been some sort of a slowdown. Under such circumstances, I think measures like these will be very effective. Our feeling is that this can well become an incentive for institutional investors to stop being hesitant and turn their eyes seriously to overseas investments and loans once more.

[Reporter] Why the shift of focus in yen appreciation measures from the current account surplus to capital transactions?

[Takemura] As I have just said, the international trade surplus has been decreasing quite evidently, both in terms of percentage of the GDP and percentage of the overall balance of payments. I am sure you are all aware of this. I hope you will look at [the financial policy package] as a decision to take more active steps to reduce the surplus amid the situation of stagnation in capital transactions within the overall balance of payments.

[Reporter] Is this a result of consultations with the United States, or is this Japan's own decision?

[Takemura] Of course, this is Japan's decision, our decision. As you know, we are constantly in contact with the United States, particularly with the Department of the Treasury, to exchange views and information. I will refrain from discussing specifically what transpired today.

[Reporter] When the exchange rate fluctuates by more than 15 percent, insurance companies and other institutional investors are required, for instance, to reassess the value of their overseas credits. Any plan to review this 15-percent rule?

[Takemura] Well...

[IFB director general interrupts] I will explain that together with the other issues later.

Tokyo Government Revokes Cosmo Designation

OW0208094295 Tokyo KYODO in English 0934 GMT 2 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 2 KYODO — The Tokyo Metropolitan Government [TMG] said Wednesday [2 August] it has revoked the designation of virtually bankrupt Cosmo Credit Corp. as a receiving agency.

The step was taken a day after the metropolitan government ordered the credit union to halt business operations.

Cosmo was named as a receiving agency for the metropolitan government in 1964, and handled about 1.48 billion yen worth of taxes, housing rents and other fees paid to the local government in fiscal 1994.

Metropolitan government officials said citizens will be asked to transfer their Cosmo accounts to other designated institutions before the end of August.

On Wednesday, deposits totaling some 9.1 billion yen were withdrawn from Cosmo, according to the officials.

In a related development, SS Pharmaceutical Co. said its chairman Sampachi Taido has announced the resignation of all his posts in the company. Taido earlier resigned as president of Cosmo over its failure.

SS Pharmaceutical said Taido has resigned as its chairman and as a member of the Board of Directors.

BOJ Provided Loans to Cosmo Credit

OW0108133795 Tokyo KYODO in English 1232 GMT 1 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 1 KYODO — The Bank of Japan (BOJ) is believed to have provided 20 billion yen worth of special loans to troubled Cosmo Credit Corp. on Tuesday [1 August] as customers continued to flock to the institution to withdraw deposits, financial sources said.

The Tokyo Metropolitan Government ordered the credit union to suspend operations Monday after depositors rushed to take out money.

Government officials said funds amounting to around 19,155 million yen were withdrawn Tuesday for a two-day total of nearly 80 billion yen, accounting for 20 percent of total deposits at the credit union.

The central bank said Monday it will provide loans to the credit union under the Bank of Japan Law to protect depositors.

The credit union was allowed to refund liquid deposits and time deposits which have matured.

At Cosmo's head office at Nihombashi in Tokyo, a number of customers lined up to withdraw money, some trying in vain to get refunds on time deposits which have not yet matured.

Panel Urges Dismantling Ailing Financial Firms

OW0108133895 Tokyo KYODO in English 1300 GMT 1 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 1 KYODO — Most members of a newly inaugurated working group at the Finance Ministry on Tuesday [1 August] called, in principle, for the dismantling of ailing financial institutions, officials said.

The ministry officials said the group launched by the Financial System Research Council held discussions centering on a basic approach toward financially troubled financial institutions and a strengthening of the deposit insurance system.

They said the group called for a tightening of regulations on the disclosure of information concerning business operations by medium and smaller financial institutions.

The panel's study is focused on a revision of relevant laws to smoothly liquidate financially strapped lending institutions, the officials said.

At Tuesday's meeting, the Finance Ministry proposed discussions on improving bankruptcy procedures, strengthening the Deposit Insurance Corp. and the tightening of inspections to prevent bankruptcies, the officials said.

Group members said the existing bankruptcy law is inadequate to deal with ailing financial institutions because of the lengthy time period required to go through the necessary procedures.

The group also called for requiring unlisted small financial institutions to disclose information concerning their business operations, according to the officials.

The group will hold its next meeting Aug. 22 to discuss the operations of the Deposit Insurance Corp., they said.

DDI Tokyo Pocket Denwa PHS Industry Viewed

952A0533A Tokyo NIKKEI BUSINESS in Japanese 1, 8 May 95 pp 58-60

[Article by Shigetaka Mayumi: Opening PHS business with unique policy: Mr. Sachio Senmoto (President of DDI Tokyo Pocket Denwa); "Decisive person" who will not sit still for what already exists; displays ability in combination with Inamori management]

[FBIS Translated Text] Twelve years ago, in the fall of 1983, Sachio Senmoto, as research division chief in Nippon Telephone and Telegraph's [NTT] Kinki telecommunications bureau, met with Kyocera's Kazuo Inamori (now president). Although he was in NTT, Senmoto spoke of the bad effects of monopoly and mulled over launching a new telephone and telegraph company. For his part, Inamori also laid out concepts for going into the phone business.

The one who brought the two men together was Wacoal Corporation President Koichi Tsukamoto. If he brought the two together, something interesting might result. Tsukamoto's aim along that line was on target and bore fruit in the form of the DDI Corporation (Dai-ni Denden) being founded.

The image of little Senmoto with his round dark eyes laughing like an impish lad struck Tsukamoto like a child with boundless curiosity. Tsukamoto narrows his eyes and says, "As DDI grows larger, even the impish lad may grow tired of it." As if to mark those words, Senmoto is taking up a new challenge. The PHS [personal handy-phone] (a simple portable phone) business, which he began readying five years ago, will start this July.

Resolved Base-Station Problem Once Called Impossible

"If the portable phone is a luxury Mercedes, the PHS is every man's Corolla." As Senmoto says, the PHS is expected to bring call charges one-third to one-fifth those of portable phones. Even previous portable phones have become cheaper, so that even ordinary businessmen can have one. The low-rate PHS may be something that all sorts of people, from housewives to children, may have. There is even an estimate that 3.8 million will be in use by 2010.

Besides DDI, NTT and communication firms under the power companies are beginning PHS service through their subsidiaries. Initially in the industry they were watching guardedly, wondering, "Can DDI really enter into PHS service?" PHS requires installing base stations at short intervals of about 200 meters. NTT uses public phones, and those under the power companies use telephone poles; but for DDI no assets that could be used were to be found.

What the technical group under Senmoto came up with was to raise the output of the base stations and install them atop buildings at 500-meter intervals. The idea came from Sanshiro Fukada, director of DDI's Tokyo Pocket Denwa. Fukada, like Senmoto, comes from NTT. After transferring in 1983 to Citibank, he was brought in by Senmoto and is one of the founding members who joined in setting up DDI.

Fukada says, "If Senmoto were any ordinary engineer, I'm sure my plan would have been rejected." Fukada's proposal was to raise the output of the base stations to 500 milliwatts. Yet, the output at the terminal end of a PHS is 10 milliwatts. Under past conventional wisdom it would have been held impossible to have communications with the devices differing that much. In fact, rival firms' base stations are 20 milliwatts. It was said to be "impossible" by the university professors who are called the big names in wireless communication.

Senmoto has the character not to give up on resolving even things thought to be impossible. When he was with NTT, an international telecommunications conference was held in Japan for the first time. To get Japan's positions accepted, Senmoto felt they would need to invite men of influence from abroad to participate. Yet, Senmoto at the time was an ordinary staffer with no entertainment funds. So, Senmoto cancelled the rooms that the corporation had reserved and had the lodging funds returned. With that money in hand, he rented a whole house, securing a site for entertainment. To take care of meals, he asked his mother to come from her home and do home cooking for the guests.

Mitsuharu Maeda (NEC advisor), who was a high officer at the time, reflects, "Senmoto's hospitality 'lacking in common sense' was a topic of conversation at NTT. Once he had fixed on a goal, he wouldn't give up even if he ran into a wall. To accomplish his end, he'd marshal a concentration beyond what was normally expected and resolve it."

Nor did he give up on the problem of base stations for the PHS. Together with Fukada he found a U.S. joint venture company that seemed able to cope with the "impossible" request by Senmoto and his group. As soon as they arrived at the site, he asked the other party whether the development was possible or not. The venture company's response was, "We won't know until it is tried." When he asked how much it might cost, they said some hundreds of millions of yen. According to Fukada, the discussion there was very general; but Senmoto made the snap judgment, "Okay, let's do it."

Decisions "30-40 Percent Knowledge; the Rest Is Intuition"

Fukada calls Senmoto "a superior officer you don't have to waste time persuading" Once he decides on a course, he leaves the rest to those directly concerned. In 1990, Fukada went with Senmoto on an overseas observation tour to gather data. When they visited the United Kingdom, a service called CT2 that closely resembles PHS was just starting up. At the time CT2 was solely for sending, so that it was unpopular in England and users were not increasing.

Fukada suggested to Senmoto, "If it could also receive, it should draw customers. I would like to try that." Senmoto's response was, "Okay, do it." According to a key officer, when a new project is proposed, a detailed business plan is also requested. Fukada said, "I will draw up a detailed proposal document," but Senmoto's answer was simply, "We don't need such a thing."

Senmoto calls himself an "entrepreneur." He says the data for judging whether or not to take on a new project is "30-40 percent knowledge and the rest is intuition. Whether you will become an entrepreneur or end up as a cog in an organization is only a matter of whether you make decisions with 30-40 percent know-how." According to Senmoto, in Japan's case 99.9 percent cannot make decisions, but amass detailed figures and then let a matter drop without making a judgment.

Fukada says, "One may be asked what sales totals will be some years later, but there's no way to know. It is easy to draw up figures that look good, but from an underling's perspective it is easier to work with a man who decides quickly if it is 'go' or 'no go' rather than with a superior officer who makes you draw up meaningless figures."

That Senmoto emphasizes resolve rather than business plans also shows the influence of his experience in his years with NTT. To achieve something new in a huge organization over 70 percent of his overall energy was spent in laying the groundwork. It was because they could not go along with such a Japanese style that Senmoto and Fukada broke away from NTT.

Shifting to DDI and liberated from massive laying of groundwork, Senmoto moved around like a fish freed into water. Even though he was an officer in charge of engineering, he went off to do sales. Exploiting all his connections, he would go any place where it seemed possible that he might get a contract. With the sales staff also inspired by Senmoto's strenuous efforts, DDI had acquired 450,000 contracts when it began its service in September 1987. This figure was higher than the total for Nippon Telecom and Nippon Kosoku Tsushin, which entered the business at the same time as DDI.

Whether it was because their backing was such big organizations as the Japan National Railways (now JR) and Toyota Autos, the two firms could not make quick adjustments. In fact, one company employee says, "Speaking of our business ties, we do associate with the other new telecommunication firms, but Mr. Senmoto was the one who came to us first on business." As to DDI's success in getting into the arena first, "It was because the officers themselves could move fast and get around," says Mitsui Marine and Fire Insurance advisor Akio Hirata, who was close to Senmoto due to his having the same hometown.

Shocked by words "Monopoly Is the Worst"

Senmoto rates himself as having "a nature not at peace with what already exists, and daring to do what is new." He was influenced also by his father's being an entrepreneur involved in engineering. From the time he was in primary school, Senmoto's father often spent time with him even though business often took him away. Senmoto says he went along because he got to eat cake; but he enjoyed sitting beside his father and hearing how to do gutter-level business or deal with taxation.

His father having been an engineer and he himself aspiring to a science career, Senmoto entered the electrical engineering department of Kyoto University in 1962. In his university years, he discussed socialism just like the other students. At times he clashed with police squads during demonstrations and was even injured.

Perhaps because "my cramming before exams" was effective, his record was almost straight A's; and he was offered jobs by what were then top-ranking companies, such as Yawata Steel, Fuji Steel, and the Japan National Railways. Compared to them, NTT was a dull entity with the image of a telephone exchange. However, convinced that "sooner or later the era of data communications will come," he decided to work there.

Senmoto, who since his high school days had wanted to go to the United States, heard that he could study there free if he passed the Fulbright exchange student exam. He quickly took the test and passed. In his second year with NTT, he went to the University of Florida to study.

What surprised him as soon as he got to the United States was that, at a time when at Kyoto University only the university president or deans could ride in cars, in the United States the students in his department were driving. Even more than the differences in material wealth, he was greatly shocked also by spiritual aspects.

Living together in the university dorms and learning the accumulated sense of values that the Americans had inherited was a major circumstance in determining Senmoto's way of living.

Senmoto was the roommate of an American named Hyslop [phonetic], an economiics major. Once, Senmoto sai, "I come from the telephone and telegraph corporation which has a monopoly in telecommunications in Japan", and he got a totally unexpected reaction from him. "Why are you in such an awful company? Monopoly is the worst." He was dumbfounded; but immediately refuted that. Yet, in the end he was argued down.

The U.S. value that most influenced Senmoto was the spirit of stressing fairness. U.S. universities do not just have professors unilaterally rate the students, but students also rate the professors. This also comes from the logic of fairness. In his discussions with Hyslop, what was bad about monopoly was that it was not fair for just one specific company to be able to make profits. So, competition is what is good.

"Look at History and Move Before Other People Do"

In competing, do not just imitate the other party, but set out on your own course. Such a U.S.-taught value matches the Inamori-style management of "creating something from nothing." Those involved are unanimous in saying that, "Without the combination of Inamori and Senmoto, DDI would not exist today." It is DDI's style for Senmoto to forge ahead while Inamori watches closely and decides on the ultimate course. But there are cases of Inamori himself opening up a new path.

Senmoto doffs his hat, saying, "That was totally Inamori's victory." What he means by that is going into mobile car phones. In 1987, just after DDI began its service, Inamori quickly insisted on going into mobile car phones. Senmoto and other officers held that "we should wait until we see how we do in the long-distance telecommunication business." Yet, it has now grown to a scale where it rivals DDI's main business.

Senmoto says, "We look at history and decide and act before anyone else on our conviction that sooner or later it has to be this way." Around 1983, while he was saying competition was necessary, no one believed him; but now scarcely anyone has doubts. "Even now some say that PHS is impossible; but 10 years hence everyone should be using it as the natural thing." To make his words a reality, there is no change in the way he himself moves about even now that he has become company president.

NTT President Interviewed on Company Breakup

952A0571A Tokyo NIKKEI BUSINESS in Japanese 22 May 95 pp 60-63

[Interview by Kenji Nagano, chief editor, NIKKEI BUSINESS]

[FBIS Translated Text]**Breakup Will Lead to Oligopolistic Market, Vertical Alliances and for NTT, Loss of Technical, Development Strength**

Information & Communications Becomes Leading New Industry

[Chief Editor Kenji Nagano] The Telecommunications Council has been considering the feasibility of restructuring Nippon Telegraph and Telephone Corporation [NTT] since April. Being debated is NTT's division and breakup.

[NTT President Masashi Kojima] To put the horse before the cart, I'll tell you we are absolutely opposed to the idea.

With the waves of change pressing in on it, the communications and information field is about to make itself into the leading new industry in Japan. If we look back at those industries that have pulled Japan's economy along until now—textiles, then steel, shipbuilding and automobiles—we can see that things have changed. We have gone from simply manufacturing and selling *things* to adding *intelligence* to them. In the telecommunications industry, too, there's going to be more emphasis on software. This will be a good thing for Japan because then we won't have to import raw materials.

There's a problem with discussions that ignore the question of how we are going to develop industries that are different from those in the past.

Proposals to break NTT up have been brought up before, once ten years ago when it was privatized and again five years ago. At the time, everyone, even NTT, was thinking only about telephones. But things have changed. Suddenly, the idea of multimedia has materialized. Discussions have to proceed from our awareness that the times are changing.

[Nagano] But NTT still relies on its telephone services for 80 percent of its revenue...

[Kojima] The telephone business will steadily shrink. To some degree, oral communication has already been replaced by facsimiles and personal computers.

Still, in the case of mobile phones—car phones and other portable phones—growth in this area has been phenomenal, with over 2 million units in use in just this last year alone. Personal handy-phone service will also be making its debut this year, but these mobile phones are outside the main business of NTT proper.

You have the situation, then, where [these new services] are taking away an increasingly large share of a market once reserved for traditional nonwireless phones, a situation that is hurting NTT financially. Nevertheless, NTT has an obligation to provide the same universal service, even to remote, outlying islands. We are required to cover even those districts where the return on our investment is relatively low. On the other hand, other phone companies, because they don't have that responsibility, are able to serve only those areas where they get a high rate of return. Even without a breakup, NTT will be exposed to severe competition.

[Nagano] In an age when things are moving from telephones to the multimedia, how should NTT be structured? What shape should it assume?

[Kojima] It is not clear what the multimedia society will be like. Various services are conceivable, but one company alone, NTT, can not develop it all. That's the reason for technical and venture tie-ups with powerful U.S. companies like Microsoft and General Magic, Inc.

Why would they tie up with NTT? One reason is our strength in research and development. Also in the background is the fact that NTT has a lot of customers. The breakup of NTT would mean losing the technical standing the company has built up over the years as well as its ability to develop and make use of that technology. If that were to happen, you wouldn't get that kind of interest from influential overseas companies in forming alliances with us.

[Nagano] At the international conference I attended in Switzerland last year, the vice president of AT&T said, "The 1984 breakup was successful."

[Kojima] It's meaningless to skip over the past 11 years since AT&T's breakup and judge its merits by jumping directly to our current point in time. People who say that the breakup of AT&T was successful have the responsibility of proving that its breakup is related to its having encouraged competition.

Multiparty Alliances Will Spread Internationally

[Nagano] As in the case of financial deregulation, Japan is only capable of gradual change. In the United States, change is more dramatic. Of course, some people get hurt, but Americans have successfully gone through the experience of undergoing a complete change in their awareness and perception of things and coming out strong and renewed. Japan hasn't had that experience yet.

[Kojima] AT&T's long-distance and local services were split up and [the latter] further divided into seven regional entities. There were disadvantages to this seven-way split up. For example, it was just two years ago that ISDN [Integrated Services Digital Network] services could finally be provided on a nationwide level. NTT was able to do this earlier. This effort was delayed in the United States because different standards developed with this seven-way split up, making connections difficult.

In the United States, I think we'll see long-distance companies going into regional services and regional companies going into long-distance services, leading to vertical alliances that will link up long-distance and regional networks.

[Nagano] Does that mean competition in Japan is moving into another phase? from New Common Carriers *versus* NTT to Stage II competition?

[Kojima] Yes. The current field of competitors is segmented into different parts—long-distance, mobile phones, regional networks in the hands of electric power companies, etc. But in the future, we will see alliances—for example, in the form of mergers—and the competition will be between NTT and probably one other company with the same kind of network.

[Nagano] So, in the end, there can only be an oligopolistic form of competition and not the kind one finds in a pure market economy?

[Kojima] Some people foresee a change in the United States toward an oligopolistic market, with only from three to five surviving telecommunications companies in the running. I think that will be the case. There will be tremendous competition among those with nationwide networks. Multiparty alliances will spread internationally, too.

[Nagano] Even if all the other telecommunications companies were to merge, we'd only be talking about something on the scale of one trillion yen or so—the equivalent of less than one-fifth of NTT proper's sales.

[Kojima] I don't think DDI [Daini Denden Corp.]'s (chairman Kazuo) Inamori is thinking of expanding just on the basis of long-distance services. I think he's turning to the idea of linking up various services. To prepare for the coming age, NTT also took this March and April to decide to open its network to new common carriers and facilitate linkups.

[Nagano] That was after the Posts and Telecommunications Ministry instructed NTT (this was in December) to provide linkups for its VPN (Virtual Private Network) service. The ministry came out looking like the standard bearer of deregulation while NTT came out looking like the old guard.

[Kojima] Yes, that was unfortunate. My real intentions weren't understood. There is a lot that NTT can say in its own defense. It was only this March, for example, that efforts to digitalize the company's nationwide network were finally completed. Nor, psychologically, is it easy, when it means a loss of several billion yen, to quietly comply with a simple, "Yes, I understand."

It's not a question of which is better: losing money or losing the public's respect? The more supporters one has, of course, the better.

[Nagano] In Japan, telecommunications companies are divided into those that either provide international or domestic services. Is there a need here, too, to move toward alliances?

[Kojima] Actually, AT&T and British Telecommunications [BT] are making various alliances in the international communications war. For the last three or four years I've been saying that if we just keep on doing what we've been doing, we'll be left out of the global competition.

Cost, Convenience, Dependability Are Important

[Nagano] AT&T has established a base in China and has started an aggressive overseas campaign. In the long run, don't you think that in its current form, NTT is at a disadvantage?

[Kojima] In order to work in foreign countries, we made it so that foreigners could be shareholders and, after causing a stir, finally got permission. After that we went into Thailand and will spread out into Vietnam and the Philippines. We are now putting in our bid in India.

Three years ago, AT&T said it would raise 25 percent of its profits from its international division; now that figure has been raised to 50 percent. Although I can't go so far as to say that one-fourth of NTT's sales of 6 trillion yen is earned overseas, I can say we have begun to lay the groundwork.

[Nagano] In its present form, isn't a contradiction likely in that, being a public interest enterprise, NTT must provide services to everyone, without discrimination, and yet it will also be engaging in market competition with rival companies?

[Kojima] Questions about splitting it up, or about how it's organized, or about international strategy—those kinds of questions are irrelevant to the average user. What is important to him are convenience, low cost, and dependability.

[Nagano] From the users' perspective, there is too great a gap between domestic and overseas communications charges. Even if an individual wants to use the Internet, he can't do what he wants because it is too expensive.

[Kojima] I can't argue with you there. So, what we are frantically thinking about right now is creating a separate network from the one serving telephones.

[Nagano] The new network that will be created by the end of fiscal 1996 is a test model, isn't it?

[Kojima]—Yes, it is. Before we were thinking of having everything—computer data, television images, etc.—go through telephone lines. But, if every time we set up a new service, we had to fool around with switches and then improve the software, costs would go up. The idea, in the world of telephones, is that rates go up in proportion to the length and distance of the call.

In the multimedia era, various demands are likely to emerge: some users will want to use high-capacity circuits for 10 seconds only; others may not care how much data the lines can carry as long as they can use the line 24 hours a day. We are in for a period of 'Sturm und Drang'—for awhile, the field will be in a turmoil with all kinds of services. No longer tied to the telephone, rates, too, will undergo dramatic changes. We will be aiming for a system that's cheap no matter how long the lines are used.

[Nagano] When NTT's breakup was discussed earlier, the value of its stock became an issue.

[Kojima] Germany's phone company was privatized this year. Although the German government owns its stock, all profits from its sale go back into the company. The sales value of NTT's stock has climbed to 10 trillion yen—in just three years—but that all goes back into the government's pocket. The feeling is: "If only half that were to go to NTT..!"

[Nagano] Even though NTT was privatized, it is a charter company in which the government owns part of the stock.

[Kojima] Before, when we wanted to issue bonds on the overseas market, we went to talk to American and European investors, and they would ask about NTT's directors and officers. No sooner had we said, "They're approved by the Ministry of Posts and Telecommunications," when to our sad surprise, there would be a loud guffaw. "Then, it is not a private enterprise," we would be told.

It is true. Annual business plans, fee rates, they're all subject to approval. When NTT was privatized, we were committed to giving it our best. But we were not entirely on our own.

[Nagano] How will you clear the hurdles that are out there for you by being a charter corporation?

[Kojima] It would take a master magician to get all of the restrictions eased in one fell swoop. One can not expect it to happen all at once. But rate approval and restrictions on new market entrants from the standpoint of adjusting supply and demand are not good. Companies enter a field knowing there are risks, so this makes for more vigorous competition.

Business plans are also subject to approval. So, when a new undertaking is being considered, everything from one's fiscal plans on down is explained. For the sake of the country, the government will worry about safety or methodology and ask, "Is it really all right?" Decisions are made on the basis of results and if those in charge make mistakes, heads fly—I guess that is essentially the way things should be.

I Have Considered Retiring Any Number of Times

[Nagano] How did someone who entered NTT as a public servant—this was when NTT was still a public corporation—become a proponent of NTT's privatization?

[Kojima]—Thirty years of putting up with bureaucratic nonsense got to be too much. There were any number of times I would sit and figure out how much I would get if I retired.

As a public corporation, NTT was extremely lax in business matters. That, I won't deny. So I became one of not a few privatization proponents. When NTT became a private corporation, I knew it would have to change, and I have persisted in saying so.

[Nagano] Some people would say, however, that NTT is still plagued by the disease of being a state enterprise.

[Kojima] Certainly, it has to be acknowledged that, while some parts have changed, there are other parts where, at heart, things remain the same. However, some promising changes are occurring.

For example, we put an end to elite hiring and employment practices. Before, we used to single out ten or twenty promising candidates for special training. They may have been smart, but they lacked a certain balance in their approach to things. In 1988 we moved to a new hiring system, so this will be the seventh year with NTT for our first class of recruits.

What is especially good about the new system is the recruitment of women. After quickly giving my opening remarks, I turn the welcoming ceremony for new recruits over to the younger workers. This year they were all workers who had been with the company five years or less. What was interesting was that half of them were women. Since data on the incoming recruits are on floppy disks, when someone says, "Let's find so-and-so," the information can be called up right then and there. This is what I call a truly hands-on experience with multimedia.

When these young men and women get into management, NTT will be a completely different company.

Sidebar

NTT has two faces. It is a high-tech enterprise at the forefront of Japan's information industry, and ever since its days as Nippon Telegraph and Telephone Public Corp., it has been a public interest corporation. President Kojima, who, as he says in the interview, "thought any number of times of turning in his resignation," has stood at the forefront of efforts to privatize NTT and ease regulatory controls since its days as a bureaucratic, public corporation. As the head of Japan's largest chartered business corporation, however, he has had to take a conservative stance in regard to labor issues and relationships with public administrative agencies and government.

It is well worth listening carefully to him when he sternly counters arguments for NTT's breakup. But to sway national opinion, NTT will probably have to shed the logic it follows--picking and choosing what is most to its advantage—and come out clearly with a position for itself as a listed corporation.

Private Comfort Women Fund Shows 'Contrition'

OW0108122095 Tokyo KYODO in English 1156 GMT 1 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 1 KYODO — A new private fund to provide compensation for women forced into sexual slavery for Japanese soldiers up to and during World War II will strive to show Japan's contrition over the matter, the fund chief said Tuesday [1 August].

"The significance of this fund's establishment last month is that we can show our remorse to those who suffered great hardships as so- called 'comfort women' in this 50th anniversary year of the war's end," Bunbei Hara, chairman of the Asian Peace National Fund for Women, told a news conference.

"It is important that each and every Japanese citizen take such women's pains seriously and make efforts to help ease them," said Hara, who assumed the fund's post after retiring as a member and president of the House of Councillors last month.

At the initiative of 20 founding supporters, backed by the government, the private fund aimed at providing redress to the women was launched last month in commemoration of the 50th anniversary of the war's end.

The fund is scheduled to begin a fund-raising campaign by Aug. 15, the date of Japan's surrender to the allied nations in 1945, an organizer said.

Historians estimate that between 80,000 and 200,000 women, mostly Koreans but also Filipinas, Indonesians, Chinese and Dutch, were forced into sexual slavery in front-line brothels for the Japanese Imperial Army before and during the war.

The private fund was established within the scope of plans to settle the issue of war reparations beginning this year. Prime Minister Tomiichi Murayama, who attended a meeting of the fund's promoters Tuesday, announced the programs in August last year.

The Murayama administration has since decided to spend some 24.6 billion yen as part of the national budget for fiscal 1995, which started April 1, to finance the programs, including a 500 million yen plan to cover the operational costs of the comfort women fund.

Murayama told the meeting the government will provide as much support and cooperation as possible to bring about the fund's success.

Hara said the women's fund will collect contributions via other private institutions — the Japanese Red Cross Society and the Japanese National Council of Social Welfare.

But he failed to set a specific target sum to be collected through the fund, saying, "we have yet to reach the point where we can tell you about that."

On the question of whether the Japanese Government should pay compensation to former sex slaves, Hara said Tokyo has resolved the issue of war reparations on a government-to-government basis and the provision of redress to the women would not be consistent with the nation's diplomatic stance.

The private fund scheme has met harsh criticism from former sex slaves and their support groups in some Asian nations as it leaves the responsibility for providing compensation with private citizens and indicates no change in Tokyo's policy of not offering individual compensation.

"The former comfort women are advanced in age. We are racing against the clock. So it is important to show our feelings even in a manner that may not be the best," Hara said.

"My policy is to deal with this issue wholeheartedly while listening to a variety of opinions."

Zendentsu Shifts Policy To Cooperate With LDP

OW0208024795 Tokyo KYODO in English 0229 GMT 2 Aug 95

[FBIS Transcribed Text] Urawa, Japan, Aug. 2 KYODO — In a major policy shift, Nippon Telegraph and Telephone Corp.'s labor union will be ready to cooperate with the conservative Liberal Democratic Party (LDP) in elections, its chief said Wednesday [2 August].

"We want to open the doors to all existing parties except the Japanese Communist Party so as to deepen mutual understanding and promote cooperation in elections," said Koji Kajimoto, chief of the Japan Telecommunications Workers Union (Zendentsu).

Kajimoto made the remark at a two-day regular Zendentsu convention, which is expected to approve a decision to withdraw from a group of pro-Social Democratic Party (SDP) labor unions eligible to send representatives to SDP conventions.

Zendentsu is one of the nation's major labor unions loyal to the SDP, the LDP's long-time rival but now a key partner in the tripartite ruling coalition led by Prime Minister Tomiichi Murayama. Murayama is also SDP chairman.

LDP Vice President Keizo Obuchi attended the convention as the first party representative.

In an address to a Zendentsu regular convention, Kajimoto called on SDP leaders to go ahead with their idea of altering the SDP into a new party involving other pro-democracy parties.

"What is left before the SDP is a choice between two options — do nothing to ruin oneself or develop into a new party," he said.

Kajimoto said Zendentsu will be ready to work on creating a new party based on support from labor unions if the SDP fails to transform itself into a new party.

In other remarks, Kajimoto reiterated zendentsu's opposition to any plan to split NTT, a former public telecommunications monopoly.

NTT, the nation's largest telecommunications company, was privatized in 1985 and the issue of whether to break it into several companies has long been in the spotlight.

Parliamentary Strength of Political Parties

OW0108115095 Tokyo KYODO in English
1128 GMT 1 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 1 KYODO — The House of Councillors released Tuesday [1 August] a new table showing the parliamentary strength of political parties and independents following the July 23 upper house election.

Pro wrestler Hiroshi Hase, who successfully ran in the election as an independent in the Ishikawa prefectural constituency, and independent Eisuke Kawamoto, whose seat was not among the 126 seats up for grabs, joined the Liberal Democratic Party's bloc in the upper house, helping boost its strength to 112.

Heisei-kai, a bloc of lawmakers comprising the largest opposition Shinshinto (New Frontier Party) and Komei, now has 69 seats, compared with the 38 seats held by Prime Minister Tomiichi Murayama's Social Democratic Party [Social Democratic Party of Japan].

The following is the official table of parliamentary strength in both chambers of Japan's legislature.

House of Representatives		House of Councillors	
Ruling Coalition			
LDP-liberal league	207	LDP	112
SDP	64	SDP	38
New Party Sakigake	21	New Party Sakigake	3
Opposition			
Shinshinto	169	Heisei-kai (Shinshinto, Komei)	69
JCP [Japan Communist Party]	15	JCP	14
Minshu-no-kai	5	Shin Ryokufu-kai	5
New Democratic Club	3		
		Citizen Peace	2
Independent Club	3	Niin Club	4
Independents	13	Independents	5
Vacancies	11		
Totals	511		252

Note: The LDP is the Liberal Democratic Party, the SDP the Social Democratic Party and the JCP the Japanese Communist Party. Komei is a splinter group of the now defunct Komeito.

Murayama: Forging Alliance With Sakigake 'Good'

OW0108140795 Tokyo YOMIURI SHIMBUN in Japanese 31 Jul 95 Morning Edition p 1

[FBIS Translated Text] During their 27 July meeting at the Prime Minister's Official Residence, Prime Minister Tomiichi Murayama (chairman of the Social Democratic Party of Japan) and Masayoshi Takemura, representative of Sakigake [Harbinger] and finance minister, agreed that the Social Democratic Party of Japan [SDPJ] and Sakigake will aim to form a new party. Commenting on an alliance between the SDPJ and Sakigake to a group of reporters at the Prime Minister's Official Residence on 31 July, Prime Minister Murayama said: "It is good for the two parties to forge such an alliance. In the past, they have forged such an alliance. I welcome their alliance." In this way, the prime minister indicated that he would aggressively seek to strengthen ties between the two parties.

At the Parliamentary Lodging House in Tokyo, Chief Cabinet Secretary Kozo Igarashi said: "If Sakigake is willing to forge an alliance with the SDPJ, the SDPJ has no objection. It is desirable that the two parties not seek to immediately form a new party, but to form a unified parliamentary group."

Meanwhile, a senior Sakigake member said on 31 July: "Sakigake has shared similar political views with the rightist faction of the SDPJ. Sakigake, however, has shored up the government of Prime Minister Murayama (who leads the leftist faction of the SDPJ) over the past year. Sakigake will have the difficulty of deciding with which faction of the SDPJ it should form a new party." In this way, he indicated that Sakigake will have to make a difficult choice of whether it should form the new party with the entire SDPJ or with the rightist faction of the SDPJ, leaving the leftist faction out in the cold.

'Sources': Cabinet Reshuffle Likely Limited

OW0108133695 Tokyo KYODO in English
1322 GMT 1 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 1 KYODO — The planned reshuffle of Prime Minister Tomiichi Murayama's cabinet is likely to be limited to only a few portfolios, government sources said Tuesday [1 August].

"The premier believes cabinet members should not change quite so often," a source close to Murayama said.

Murayama of the Social Democratic Party (SDP) [Social Democratic Party of Japan — SDPJ] is inclined to a limited reshuffle to keep Finance Minister Masayoshi Takemura of New Party Sakigake [Harbinger] in the cabinet. Takemura has hinted he wants to resign the post following the poor showing of Sakigake in the recent House of Councillors election.

Murayama wants to maintain management of cabinet business along with the heads of the SDP's two coalition partners — Takemura and Foreign Minister Yohei Kono, chief of the Liberal Democratic Party (LDP).

In contrast, many LDP lawmakers prefer a major overhaul to obtain the finance minister post and other key portfolios.

But as International Trade and Industry Minister Ryutaro Hashimoto has clarified his intention to run in the LDP presidential election in September, the present coalition leadership may not want to carry out a major reshuffle until after the election, opting to conduct a minor change for the present, party and government sources said.

While some SDP members are calling for a drastic change in the cabinet portfolios to prevent damage to Murayama's image, many are not against a minor reshuffle, according to party sources.

Murayama Cabinet's 'Secret' Plans for Reshuffle

952B0190A Tokyo SANDE MAINICHI in Japanese 11 Jun 95 pp 151-153

[Article by Hiroshi Wakabayashi: "Three Secret Measures Toward the 'Reshuffle' at Which the Murayama Cabinet is Aiming"]

[FBIS Translated Text] The first supplementary budget, which incorporated restoration of the Great Kobe-Osaka Earthquake damage and countermeasures for the strong yen, has passed, and the Diet is virtually in recess. It is the time when, normally, all would begin to race toward July's upper house election, but the powers that be are restless, and cannot settle down. There is a mood of wanting to somehow resolutely carry out a cabinet reshuffle before the election in order to ride out the rough seas of a great defeat of the Social Democratic Party of Japan [SDPJ] in the upper house election and resignation of the Murayama cabinet. A strategy has begun that there is nothing to fear if the governing parties all feign ignorance of the criticism of the Murayama no-policy government, and everyone ignores it.

It was the evening of 23 May. The party for the 40th anniversary of the Chosenjin Sorengokai [(North) Korean People's Federation], which was held at the Chosen Kaikan in Tokyo's Kudan District, was unusually lively. But for the SDPJ, which has a close relationship with the Chosenjin Sorengokai, attendance was sparse at the gathering to promote the resolution of "apology and renunciation of war," which is related to the SDPJ and which was held at just the same time at the Hibiya Open Air Concert Hall.

By contrast, at the Chosenjin Sorengokai party, attendance by members of the LDP [Liberal Democratic Party], few of whom normally show up, was conspicuous. Apart from former Vice President and Foreign Minister Michio Watanabe, who led the governing party delegation which visited North Korea in March, Policy Affairs Research Council Chairman Koichi Kato and Diet Affairs Committee Chairman Taku Yamasaki of the YKK [the team of Taku Yamasaki, Koichi Kato and Junichiro Koizumi] and prime ministerial assistant Nakagawa also put in an appearance.

A person connected to Japan-North Korea relations says: "YKK rank improvement of relations with the Democratic People's Republic of Korea (North Korea) as a leading issue which will lend appeal to the Murayama government. On the other hand, the posture of the SDPJ is to do it by a Diet resolution renouncing war. It appears that enthusiasm for improving the environment for Murayama to continue in office by promoting steps to improve Japan-North Korean relations is communicated by the attendance of Yamasaki and Kato at the party."

At a meeting of the heads of the three governing parties, at the end of the consecutive holidays, they confirmed that they would "take no action on a cabinet reshuffle before the upper house election," but Vice President and Foreign Minister Yohei Kono is about the only one who, even now, voices the official argument that "since then there has been no talk, whatsoever, of a reshuffle."

Prime Minister Murayama's manner of speaking, itself, has changed in a manner which seems meaningful. For instance, a qualifier has been added to his statement, "I am not considering it" which has changed it to, "I am not considering it now." Chief Cabinet Secretary Igarashi, for example, appears to have made what is almost a definite statement, telling the press corps: "if we do (a reshuffle), it will be before the upper house election." Political-section reporters say: "The atmosphere is such that a reshuffle would appear very natural if the supplementary budget passed. Many of the reporters on duty at night come straight out saying, 'there will be a reshuffle.'"

Outsiders wonder what became of that "limit" statement, but I hear that: "contrary to what one might expect, both the LDP and the SDPJ tightened up in order to preserve the government," (LDP leader). If former Secretary General Kajiyama went to the trouble of going to the prime minister's official residence, meeting with the prime minister, and encouraging him, saying: "The Taisho generation does not do things such as abandoning their work in an irresponsible manner," there even appeared in those close to the prime minister an atmosphere of "conversely, by this it will be possible to overcome things, including all our concerns."

In the LDP one can even hear rumors of Diet members who have begun to prepare an open "campaign to hunt posts," saying "I wonder who is near who has influence with Murayama. I wonder who in the three governing parties has the power to make appointments in the reshuffle."

Where did the prime minister gain his sense of confidence, which is a complete reversal from his wanting to resign because of his weakness?

Mitchi's [Michio Watanabe's] refrain, which has appeared after a long absence, also says: "Does one decide on prime ministers by the length of their eyebrows? There is no reason for the Murayama cabinet to last long." "The LDP-SDPJ coalition government also experienced something good by a lucky fluke. The SDPJ disappeared."

Was not this the true intention of the LDP?

Nevertheless, the circumstances of the LDP's making desperate efforts for the purpose of a reshuffle predicated on preservation of the Murayama cabinet are strictly internal to the LDP. In short, it is limited to wanting to avoid the nightmare of a great defeat of the SDPJ in the July upper house election, leading to the resignation of Prime Minister Murayama, leading in turn to intensification of the battle for president (prime minister) within the LDP, and to the collapse of the tripartite coalition government.

"Anyone Would Be the Same," So Murayama Will Do

To be sure, Secretary General Mori's statement revealing "limits" became the starting gun for the campaign to succeed Murayama, but it resulted in revealing the stupidity of the vital LDP candidate's not having been agreed on.

Within the LDP there is the Kono-Mori line, which aims at reelection of Kono. The Ho-Ho [conservative-conservative] alliance for recovery of the former Keiseikai (Takeshita faction). With such things as the change-of-generation Ho-Ho alliance by YKK and young members of the New Frontier Party, the ideas for a government are scattered. In particular YKK have made the situation more complicated by inconsistent moves of switching from support of Kono at the beginning of the year to support for continuation by Prime Minister Murayama, and then cooperation with former Economic Planning Agency Director Funada of the New Frontier Party. Of course there are also those among them who advocate support of the current coalition government.

The appearance is: "Mori probably intended to let President Kono run, but there are many players. Moreover, not even the type of race has been decided on, so there are some who intend to run 100 meters, and others from long distance, to a marathon, to a relay. Anyhow, hearing the starting gun each began to run in their own way, so it went out of control, and in the end we made the excuse that the starter was bad," (young LDP Diet member).

But no team has the self-confidence that it is certain to be able to win. Secretary General Mori, who supports Kono "has little support within the party," (LDP source) and to begin with, President Kono, himself, is viewed from within the party as "a substitute president when the party is out of power." On the other hand, there is also no guarantee that the former Obuchi faction, which eagerly aims at restoration of the "main stream," can obtain a majority. Nor do YKK, which are active across factions, espousing a change of generations, possess a firm base. In a word, it is a "three-cornered deadlock."

Therefore, Policy Affairs Research Council Chairman Kato's statement that "Murayama's successor will be Murayama" has a considerable base of honesty. "If we take Murayama to be a champion sumo wrestler, Kono, (LDP Vice President) Obuchi, and (former Policy Affairs Research Council Chairman) Mitsuzuka would all be, at best, third-rank or second- or third-grade senior sumo wrestlers," (Transport Minister Kamei).

I do not believe it necessary to carry it this far, but "Even if we say produce a successor from the LDP, it cannot be settled in the current situation. Murayama will do," (LDP cabinet minister).

Murayama is a messiah who will save the LDP from internal conflict. It will be troublesome if they do not have him survive for the present. It is a form in which the wretched internal situation of an LDP which depends on Murayama was exposed, but for some reason, the public also sees this in the same way. According to a recent news-service public-opinion poll, "there is no other suitable person" and "anyone would be the same" rank highest as reasons for supporting the Murayama cabinet at about 10 percent each.

It is Murayama because of chaos.

Trying To Overcome the Difficulty by the "Murayama Idol"

A person connected with political circles says: "There is agreement on the point that the one who ignited the current conflict is Secretary General Mori, but in the news, even now, it is divided into the theories of: Mori opposed a reshuffle and, no, Mori promoted a reshuffle. This is abnormal. He is a leading figure, so, ordinarily the direction would never be 180 degrees different, even if the time of the news were different."

In other words, an axis of coordinates has not been agreed upon at all. LDP executives say "It is because no one is thinking about it deeply." It is probably permissable to say that Mori's "limits" statement is an example which showed frankly that people in political circles are all in a state of "suspension in midair" without their feet touching the ground.

In the case also of the story that Murayama would abdicate in favor of Kono, which circulated widely before the successive holidays, it was also a political situation which showed such shallowness that "one finds out that same day who the source of the report was," (reporter assigned to cover the prime minister).

Still more, it becomes a matter of "with its being debated publicly whether it is better for the head of the party to remain in the cabinet or to concentrate on party business, he had no leadership power or anything, (person with experience as LDP secretary general).

Nevertheless, an attempt to elevate the "Murayama idol," and overcome the difficult situation which will befall the coalition government is gradually being prepared.

A great defeat for the SDPJ in the upper house election is inevitable. There is even a worst-case prediction that, "Depending on the case, we can expect less than 10 winners among the over 40 who will run for reelection," (SDPJ election affairs executive), and if that happens Murayama's resignation will be inevitable. It means "it would be awful if we lost the foundation of the government," and it appears that the governing parties all together began the work of spreading "safety nets" so that the government would not die even if the prime minister received a direct hit in an argument over responsibility, and fell.

The first net: "We shall fight in the upper house election in the framework of the current coalition governing parties, so if the governing parties win as a whole it will mean that confidence was placed in the Murayama government," (government leader and LDP cabinet minister).

The second net is making the "new tripartite policy agreement" which Sakigake Secretary General Hatoyama proposed. "It will mean we are donning new robes, so it will be necessary to make the content new by a cabinet reshuffle." This means that the upper house election will question confidence in the new system as a whole.

The third net consists of individual tasks. Even if a war-renunciation resolution and improvement of relations with North Korea are common sense, the direction of the rough-estimate request for the budget for the next fiscal year, which will be decided before the upper house election, will also "be a public pledge." Within the SDPJ "If the prime minister delivers a war-renunciation message on 15 August, the anniversary of the end of the war, survival of the government will have meaning even by that alone."

In point of fact the SDPJ has already received a no-confidence vote in the previous general election, so it has the feel that it is a matter of already having fully mobilized even things like quibbling, making excuses to make oneself look better, self-praise, and "cheap tricks."

But the tide toward a reshuffle does not stop. Rumors of persons who might enter the cabinet are already flying around Nagatacho: that Management and Coordination Agency Director Yamaguchi will make a lateral move to be the next chief cabinet secretary, and it would be a preparation which would attempt to prolong the life of the government, or that prime ministerial assistant Nakagawa is a leading contender for becoming a new member, or that, from the SDPJ, entrance into the cabinet by deputy chairman Inoue is certain, or that Minister for International Trade and Industry Hashimoto wants to become minister for foreign affairs.

Murayama has returned after much fussing, but the opposition New Frontier Party also seems to be afraid to submit a no-confidence motion in the cabinet. The voters of this country are greatly to be pitied if they end up being evaded by something like this.

'Sources': Kubo Considers Resignation

*OW0108154595 Tokyo KYODO in English
1526 GMT 1 Aug 95*

[FBIS Transcribed Text] Tokyo, Aug. 1 KYODO — Wataru Kubo, secretary general of Prime Minister Tomiichi Murayama's Social Democratic Party (SDP) [of Japan, SDPJ], is considering resigning from the post in a move that could cripple the shaky ruling coalition, party sources said Tuesday [1 Aug].

Kubo has already informed Murayama of his intention to quit to take responsibility for the SDP's poor showing in the July 23 House of Councillors election, the sources said.

Kubo, who is one of the SDP lawmakers reelected to the Upper House in the poll, is considering expressing his desire to resign soon, possibly at a party central executive committee meeting Thursday, they added.

But SDP members, led by Upper House legislators of the party, are trying to dissuade him from resigning, while Murayama intends to shelve any resignation letter until after a short extra Diet session opens Friday and to try to stop Kubo from leaving, the sources said.

Kubo's resignation could lead to a questioning of Murayama's responsibility as well in connection with the party's poor election results, they said.

Kubo told a gathering of all Upper House members of the SDP earlier Tuesday that he will call a policy-making session of the party machinery as soon as possible to review the election results, and that he will then make clear the party leadership's responsibility.

The remark was understood to indicate the possibility of his resigning from the No. 2 party post at a central committee meeting or at an extra party convention slated for September, party watchers said.

But Kubo is likely to prevent his resignation from affecting Murayama's premiership on the grounds that the position of a prime minister is different from the party chairmanship that was in place when the SDP was not in power, some party sources said.

Others said, however, that Murayama would have no choice but to quit as party head, and as prime minister, should Kubo quit.

Igarashi: Kubo 'Should Continue'

OW0208040095 Tokyo KYODO in English
0353 GMT 2 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 2 KYODO — Wataru Kubo should continue serving as secretary general of Prime Minister Tomiichi Murayama's Social Democratic Party (SDP) [of Japan — SDPJ] despite the party's trouncing in the July 23 House of Councillors election, a government spokesman said Wednesday [2 August].

Chief Cabinet Secretary Kozo Igarashi told a news conference that Kubo's input as the SDP secretary general is very important because the party is a major partner in the ruling coalition and is trying to redefine itself as a new party of "liberals and democrats."

"The role Secretary General Kubo is supposed to play is crucial... [ellipses as received] I want him to continue fulfilling his duties beyond this juncture," he said.

Kubo, the SDP's second-in-command, is reported to be considering resigning from the post to take responsibility for the party's serious losses in the upper house election.

Kubo's resignation could also result in heightened questioning of Murayama's responsibility for the setback, possibly crippling the shaky tripartite coalition.

LDP Power Struggle for Party Presidency Viewed

OW0108144695 Tokyo KYODO in English
1420 GMT 1 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 1 KYODO — Liberal Democratic Party (LDP) lawmakers have launched political maneuverings over the September election for the party presidency which is gearing up as a showdown between incumbent Yohei Kono, foreign minister, and Trade Minister Ryutaro Hashimoto, according to party sources.

Yoshiro Mori, secretary general of the largest partner in the three-party ruling coalition, renewed his support Tuesday [1 August] for Kono's reelection bid in the face of a vigorous campaign by the anti-Kono group, led by former Secretary General Keizo Obuchi, to rally support for Hashimoto.

Saying that an LDP president can serve two consecutive two-year terms, Mori said at a news conference that his role as secretary general is to help Kono win a second term in office.

Both Kono and Mori have been under pressure to step down due to the LDP's poor showing in the July 23 House of Councillors election.

Mori is seeking to consolidate his personal ties with the group led by Hiroshi Mitsuzuka, which is believed to hold the key to Kono's reelection as party head.

Mori is working on concerns within the party about a potential collapse of the current governing coalition with the Social Democratic Party [Social Democratic Party of Japan] of Prime Minister Tomiichi Murayama and New Party Sakigake [Harbinger] of Finance Minister Masayoshi Takemura.

The ruling coalition is built on the basis of the solid personal relationships among the three party heads, Mori stressed, adding that Hashimoto as party head would find it difficult to maintain the coalition framework.

Mitsuzuka is placing top priority on securing the post of secretary general and is still studying the situation carefully, the sources said.

Following the upper house poll, Kono's followers moved to obtain the support of lawmakers who once belonged to a party faction led by former Prime Minister Kiichi Miyazawa, of which Kono was a leading member, by dangling cabinet portfolios.

But the tactic was foiled by the Obuchi group, which moved to support Hashimoto as the new party head to prevent Kono's reelection, which the group feared could be assured in the event of a major cabinet reshuffle by allowing Kono to give his supporters coveted cabinet posts.

Murayama is now expected to limit the cabinet reshuffle to only a few portfolios to avoid any damage to the coalition framework.

A majority of the LDP members, however, as yet undecided on their affiliation in the presidential race, are weighing the political ramifications of both scenarios, the sources said.

Foreign Minister Kono Wants To Step Down

OW0108140395 Tokyo ASAHI SHIMBUN in Japanese 1 Aug 95 Morning Edition p 2

[FBIS Translated Text] Prime Minister Tomiichi Murayama is studying the possibility of reshuffling his cabinet in early August. In this regard, it has been disclosed that Foreign Minister Yohei Kono, deputy prime minister and concurrently president of the Liberal Democratic Party [LDP], informed the prime minister on 31 July of his intention "to step down from the post of foreign minister." This was revealed by several members of the ruling parties.

Since LDP President Kono and Finance Minister Masayoshi Takemura (representative of New Party Sakigake [Harbinger]) are two supporting pillars of the Murayama cabinet, the prime minister asked Kono to "give up the idea" of stepping down from the foreign ministerial post. At the same time, the prime minister strongly said: "I would like you to remain in the cabinet, regardless of which ministerial post you hold." Kono said that he would respect the prime minister's desire.

Keeping in mind the LDP presidential election scheduled to be held in September, Kono expressed his desire to step down from the foreign minister's post because "among other things, he will not be able to make stumping tours freely if he remains in the cabinet as foreign minister."

Meanwhile, it seems that the prime minister showed a prudent attitude because he is worried that the backborn of his cabinet may be weakened if Kono steps down from an important ministerial post.

Mori on Election, Hashimoto Bid for Party Head

OW0208103595 Tokyo NIHON KEIZAI SHIMBUN in Japanese 1 Aug 95 Morning Edition p 2

[Interview with Yoshiro Mori, secretary general of the Liberal Democratic Party, by unidentified NIHON KEIZAI SHIMBUN reporter; place and date not given]

[FBIS Translated Text] [NIHON KEIZAI SHIMBUN] The general view is that the ruling Liberal Democratic Party [LDP] was defeated in the latest upper house election. However, the LDP has yet to admit defeat in the election. What is your comment?

[Mori] I do not have the least intention of skirting my responsibility for the defeat. I have repeatedly said responsibility for the defeat lies with me. It is true that the LDP faced various restrictions because the latest upper house election was held under the coalition government. Some voters thought that even if they voted for candidates running on the LDP ticket, this would not lead to implementing LDP policies. If the voters took that view, it would be very difficult for the LDP to deal with them. We are under political circumstances that we have never experienced before. The argument that (President) Kono and I are responsible for such political circumstances is an attempt to intensify intraparty strife. Such an argument will never positively serve the LDP.

What is important is to think about how the LDP should be run and how the LDP should grapple with the next lower house election. The main opposition New Frontier Party [NFP] garnered about 1.4 million votes more than the LDP in the latest upper house election's proportional representation. The NFP won 2.7 million votes more than the LDP in major cities and prefectures, including Tokyo and Osaka. The LDP needs to analyze these results.

Candidates Need To Be Attractive

[NIHON KEIZAI SHIMBUN] The number of unaffiliated voters is growing. I think that the LDP should think twice about its conventional way of choosing candidates.

[Mori] Until now, LDP organizations have had the right to choose candidates. However, voters have come to look at an individual politician's attractiveness. The LDP must change the conventional way of choosing candidates.

Promotion of Economic Reform

[NIHON KEIZAI SHIMBUN] Sakigake [Harbinger] representative (and finance minister) Masayoshi Takemura expressed his intention to resign as representative, but reversed himself soon afterward. Is not the Murayama government further losing cohesiveness?

[Mori] Three coalition partners agreed to help each other in the latest upper house election. In fact, however, they did not help each other because the election was a fight....

The LDP was restricted in carrying out its campaign during the latest upper house election because it was a coalition partner. Each of the three ruling parties has not been allowed to act independently. This was a transitional pain under the coalition government. I believe that the pain was inevitable.

[NIHON KEIZAI SHIMBUN] Will the LDP fight to win enough votes to form its own government?

[Mori] It is impossible to nominate a prime minister with the outcome of this upper house election. If the LDP wins a majority of votes in the lower house election, however, the prime minister would come from the LDP. Therefore, each political party will fight tooth and nail in the lower house election to win a majority or become the largest party.

[NIHON KEIZAI SHIMBUN] What campaign pledges will the LDP make in the lower house election?

[Mori] It is important to carry out administrative reform, take measures to stimulate the economy, and push for economic reform. To do all those things, the LDP should break the bureaucracy-led politics.

[NIHON KEIZAI SHIMBUN] As secretary general assisting President Kono, how are you going to deal with the lower house election?

[Mori] I believe that the secretary general must be impartial and work with a disinterested attitude. If he has a rival, it would be good if he fights the rival fairly in line with the party's rules. The president nominated me to be secretary general. I believe that if the president wants me to stay in the post, I will have to continue to assist him.

Intraparty Strife Draws Public Criticism

[NIHON KEIZAI SHIMBUN] Moves are already afoot in the LDP to back Ryutaro Hashimoto, international trade and industry minister, as the next LDP president against President Kono. What do you think?

[Mori] What I want to stress among other things is that all LDP members should be careful not to draw criticism from the people that the LDP is again engulfed in strife. An old faction in our party has formed a group to trick the people. The people think that the group's moves aim to block President Kono from being reelected. I do not know what the group is going to do in the future. However, I worry that the people will rebuke the group.

If some members of our party with wide experiences forget the pains they felt when their party was the opposition and feel as if their party holds the reins of government, this would bring an end to our party.

NFP To Maintain Kaifu-Ozawa Leadership

OW0208104495 Tokyo NIHON KEIZAI SHIMBUN in Japanese 31 Jul 95 Morning Edition p 2

[FBIS Translated Text] The New Frontier Party [NFP] will maintain the leadership of President Toshiki Kaifu and Secretary General Ichiro Ozawa to prepare for the political battle in autumn. After its dramatic advances at the recent election, where the NFP doubled the number of seats it held before the election, criticism against the party leadership has rapidly lost momentum and unity has been restored.

Riding on its victory in the House of Councillors election, the NFP leadership plans to intensify its offensive on the Murayama administration, particularly on the issue of economic stimulation, and prepare for the dissolution of the Diet and the ensuing general election. In view of the volatile situation in the ruling coalition parties, the NFP's analysis is that depending on what happens at the Liberal Democratic Party [LDP] presidential election, "an early dissolution of the Diet is possible." It is therefore stepping up the selection of candidates in the 300 single-seat constituencies and strengthening its organization by involving the labor unions.

A clamor which had been raised before the upper house election that "if we get less than 30 seats, we should hold a party convention in September and change President Kaifu and the whole leadership" had died down instantly. Activities by Hajime Funada's group, which keeps a distance from Ozawa and which has been meeting with the "YKK trio" headed by Taku Yamasaki, chairman of the LDP Diet Affairs Committee, have also stopped.

The provisional party charter of NFP stipulates that "a party convention should be held within one year from the inauguration meeting," and 10 December is generally regarded as the end of the term of the current leadership. Because of the electoral victory, the prevailing opinion in the party now is that the continuation of the "Kaifu-Ozawa leadership" is desirable.

The NFP's basic position on the next general election is that "the Murayama cabinet should resign and the NFP will recapture political power through the election." However, party members, particularly former Komeito Diet members who contributed most to the upper house electoral victory, hold a cautious view on expanding NFP forces in the lower house election because "the LDP will fight back desperately, and it will not be as easy as the last election."

If the LDP presidential election turns out to be a duel between Yohei Kono, deputy prime minister and foreign minister, and Ryutaro Hashimoto, minister of international trade and industry, the electoral campaign will cover the whole country. NFP members are concerned that the LDP's support groups, which had not been active during the upper house election, will be reactivated, and "prior preparations for the general election will gather momentum and the vote-gathering machines will begin to work again."

The best scenario for the NFP will be a Diet dissolution under Prime Minister Murayama. However, maneuverings and complications in the situation in the ruling parties indicate that "the Murayama administration may not last long," and the NFP is now keenly aware of the need to come up with candidates for the single-seat constituencies as soon as possible.

In the event the prime minister is actually elected from the LDP to succeed Murayama, there is a possibility that "the Diet may be dissolved immediately after the formulation of the FY96 budget" if the LDP is attacked on its economic pump priming measures. In such a case, the NFP is expected to have a tough fight.

Persistent advocates in the NFP of a conservative-conservative alliance, mainly among the ex-LDP members, have lost support because "if we perpetuate a realignment of the administration through a coup d'etat that is inscrutable to the people, we will not be able to win the election." In anticipation of an early dissolution of the Diet, the NFP is preparing for its "duel" with the LDP through efforts to strengthen organization — that is, by forming a "troika" of the Komeito-Soka Gakkai, the support organizations of members who used to belong to the conservative parties and the labor unions.

Sakigake Member Submits Letter of Resignation

OW0108090895 Tokyo KYODO in English
0734 GMT 1 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 1 KYODO — A House of Representatives member of New Party Sakigake [Harbinger], Kenichiro Sato, said Tuesday [1 August] he is leaving the party, Sakigake officials said. Sato, 48, submitted a letter of resignation to Sakigake Secretary General Yukio Hatoyama on Tuesday afternoon, the officials said.

Sakigake, a splinter group of the Liberal Democratic Party (LDP), took a drubbing in the July 23 House of Councillors election.

Sakigake and the LDP are party to the ruling coalition, along with Prime Minister Tomiichi Murayama's Social Democratic Party [Social Democratic Party of Japan].

The party's leader, Masayoshi Takemura, has hinted he will step down as finance minister to take the blame for a string of financial scandals involving Finance Ministry bureaucrats.

Takemura also tried to quit as party chief but Hatoyama and other senior Sakigake members talked him into staying on.

North Korea

Kim Yong-sam's U.S. Tour Called 'Shameful'

SK0208102395 Pyongyang KCNA in English
1016 GMT 2 Aug 95

["Disgraceful Flunkeyist and Treacherous Tour" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 2 (KCNA) — MINJU CHOSON today brands the puppet Kim Yong-sam's recent tour of the United States as shameful flunkeyist and treacherous behaviours.

Absurdities the puppet Kim Yong-sam had made at a joint session of the U.S. Congress, opening and unveiling ceremonies for the "park" and "monument" for the "Korean War veterans" and at the talks with the U.S. President are as good as an intolerable insult to the Korean people and human conscience. And they are shameful and servile behaviours that can be done only by such a top-class traitorous flunkeyist as Kim Yong-sam with no iota of nation's soul, the news analyst says, and continues:

The traitor Kim Yong-sam, plunged into the bottomless ruling crisis, has strained every nerve to curry favour with his U.S. master, utterly selling off the interests of the country and the nation. In return for it, he seeks to keep his remaining political days under the protection of his master. But it was a foolish act.

History has shown only self-destruction goes to those who turned their backs against their countries and nations and followed servilely the outside forces, while pursuing flunkeyist and treacherous policy.

No matter how desperately the traitor Kim Yong-sam may try to prolong his remaining days he can never evade from the stern punishment by the history and the nation.

Spokesman Denounces U.S. Korean War Monument

SK0108135595 Pyongyang Korean Central Broadcasting Network in Korean 1215 GMT 1 Aug 95

["Statement by a Spokesman of the DPRK Foreign Ministry on 1 August in Pyongyang" — read by announcer]

[FBIS Translated Text] A spokesman of the DPRK Foreign Ministry issued the following statement today in connection with the fact that the United States distorted historical facts and seriously got on the nerves of the DPRK during the events to commemorate the Korean War by inviting the South Korean authorities to Washington some time ago.

The statement by the DPRK Foreign Ministry spokesman reads:

The United States invited the South Korean authorities to Washington some time ago and held the event to commemorate the so-called Korean War, distorting historical facts and seriously getting on our nerves.

This comes at a time when the situation is moving toward detente with the beginning of the implementation of the DPRK-U.S. framework agreement, under which the U.S. authorities are committed to renouncing their hostile policy toward the DPRK.

We cannot help but take a serious view of the U.S. authorities' behavior.

The events to commemorate the Korean War conflict with the spirit of the framework agreement. They were anachronistic events, motivated by a Cold-War era mode of thinking which is harmful to peace and security on the Korean peninsula and to the rest of the Asia-Pacific region, and which is antagonistic to the DPRK.

The U.S. authorities invited South Korean authorities to various activities and discussed with them a joint strategy against North Korea. This was aimed at backing the South Korean authorities, who are isolated and forsaken at home and abroad; at inciting antagonism against the DPRK; and at making an excuse for a permanent U.S. military presence in South Korea.

This shows that the United States intends to invariably maintain its political and military confrontation with the DPRK while continuing its pro-South Korean policy.

At summit talks, a joint press conference, and the unveiling of a monument held by the United States and South Korean authorities, they decided to strengthen their cooperation system against the DPRK and promote improvements in DPRK-U.S. relations in step with North-South dialogue and improvements in North-South relations. Also, they urged the DPRK to fulfill its nuclear commitment.

In fact, this is an attempt to raise a new precondition for the implementation of the DPRK-U.S. framework agreement that specifies the settlement of the nuclear issue and DPRK-U.S. relations.

The resumption of North-South dialogue and the transfer of the remains of U.S. soldiers, which the United States raised as preconditions for improving its relations with the DPRK, are nonsense and deserve no argument.

Removal of hostile relations and normalization of relations between the DPRK and the United States are joint objectives upon which both sides have agreed. There can be no precondition for them.

Normalization of relations is not a benefit offered by one side to the other; it is not a commercial deal, either.

The United States is mistaken if it thinks the DPRK will meet its unreasonable demand for improving relations with it.

We will beg for nothing to improve our relations with the United States. The U.S. must be aware of this.

If DPRK-U.S. relations are improved, North-South relations will no doubt follow suit.

As far as the nuclear commitment is concerned, it is in essence a bilateral commitment between the DPRK and the United States. The DPRK will freeze its nuclear activities in return for U.S. provision of light-water reactors.

The nuclear commitment came into being at the request of the United States and not the DPRK. Moreover, the DPRK has already frozen its nuclear activities. Under these circumstances, it is time the United States sincerely fulfill its obligation.

The United States, however, is taking issue with the DPRK while ignoring the principle of simultaneous action, which is vital to the DPRK-U.S. agreement. This arouses suspicions.

As for the remains of U.S. soldiers, this issue has not been settled on a proper level because the United States has failed to sincerely implement the agreement on the remains due to sinister political purposes.

On a humanitarian principle, we have transferred the remains of more than 200 soldiers to the United States on several occasions.

The United States cannot cover up its true color as the provoker of the war by delaying a solution to the issue of the remains of soldiers who were victims of the Korean War or by building a monument. Its doing so is an insult to the U.S. troops who died in the Korean War, to their families, and to the people.

It is intolerable that the South Korean chief executive went to Washington and joined in a smear campaign against his fellow countrymen, importunately begging for the permanent presence of U.S. troops in South Korea. This clearly shows that the South Korean authorities' talk about reconciliation and dialogue is nothing but hypocrisy, and that they are flunkeyists and traitors who can live only with the backing of major powers.

He blared that the issue of a peace-keeping system should be resolved through North-South dialogue. South Korea, which is neither a signatory to the Armistice Agreement nor a party concerned in it by law, is now trying to poke its nose into the issue. This is a brazen-faced act of those ignorant of international law and international usage, and it is a treacherous act to neglect and nullify the North-South agreement that confirms nonaggression.

He, who has committed the blackest of crimes against us and has been totally isolated by the South Korean people, is not entitled to talk about dialogue.

Through the ceremony, the United States has lost face to call on the DPRK to resume North-South dialogue. The fact that the U.S. Administration built the Korean War Monument in Washington irrefutably proves that the United States admits that the Korean War was one between the DPRK and the Unites States. Therefore, it is the DPRK and the United States who are the parties to the establishment of a peace guarantee system on the Korean peninsula.

The basic matter in easing tension and ensuring peace on the peninsula is to dispel hostile relations between the DPRK and the Unites States and have U.S. troops withdraw from South Korea. This is a matter to be discussed by the DPRK and the United States in view of the authority and responsibility for the resolution of these issues, or in view of the spirit of the already reached agreement to make joint efforts for the denuclearization of the peninsula and for its peace and security.

Furthermore, a nonaggression pact was already adopted between the North and South, and a necessary institutional machine exists. Under these conditions, what should be done now is that the DPRK and the United States should provide a legal and institutional mechanism for ensuring peace.

The United States, instead of antagonizing the DPRK and whipping up a warfever through a commemoration of the Korean War, must take a sincere attitude toward establishing a new peace mechanism to prevent another war on the Korean peninsula. This will be favorable to the final solution of the nuclear issue on the Korean peninsula and to DPRK-U.S. bilateral relations.

If the United States continues to assume a negative attitude, we cannot help but consider that it is not willing to accept our just proposal and will take pertinent measures, as we already stated.

Abolition of National Security Law Urged

SK0208105495 Pyongyang KCNA in English 1049 GMT 2 Aug 95

["Reunification Cannot Be Realised With 'NSL' in Force" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 2 (KCNA) — The Kim Yong-sam group is frantically trying to block the grand march of fellow countrymen toward reunification in the 1990s on the strength of the "National Security Law" [NSL], a notorious anti-communist, anti-reunification fascist law.

In this connection, a signed article of NODONG SINMUN today says that the country will not be reunified as long as the "National Security Law" is in force.

The paper further says:

During his life in an "opposition party" and even after being absorbed by military dictatorship, the traitor Kim Yong-sam noisily advertised that he would abolish such evil laws as "National Security Law" to liquidate the past if he took office.

As soon as he took power, however, he completely changed his stand and has kept the "NSL", claiming that the law could not be repealed under the situation of division and that he keenly felt the necessity of the law while in power.

He has ruthlessly suppressed and punished patriotic students and people calling for independence, democracy and reunification by invoking this fascist law.

According to the report on human rights published by the U.S. State Department, the number of the people who were punished in South Korea on charges of violation of the "National Security Law" last year more than doubled the 1993 figure. Nearly 30,000 people have become victims to the fascist laws in South Korea in two years after Kim Yong-sam's inauguration. The proportion of those arrested or detained on the strength of the "National Security Law" increased from 18 percent in 1989 to 50 percent last year.

The Kim Yong-sam fascist clique is now trying to prevent South Korean people and public figures from participating in the Grand National Reunification Festival marking the 50th anniversary of the liberation of the country to be held jointly by North, South and overseas Koreans around August 15, crying that it is North's "artifice of united front" by invoking the "NSL".

The reality clearly shows that the Kim Yong-sam group who are trying to keep the "National Security Law" for the security of their "regime" is a cancer blocking the national reconciliation and reunification and, accordingly, the independent and peaceful reunification of the country cannot be achieved for an indefinite period as long as his group remains in power.

The Kim Yong-sam fascist clique whose days are numbered will certainly be thrown into a dustbin of history together with the anachronistic "National Security Law."

Seoul's Moves To 'Foil' Festival Condemned

SK0208102795 Pyongyang KCNA in English 1022 GMT 2 Aug 95

["S. Korean Authorities' Moves To Foil Joint Festival Condemned" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 2 (KCNA) — The Overseas Preparatory Committee for the Grand National Reunification Festival Marking the 50th Anniversary of the Liberation of the Fatherland issued a statement to the press, denouncing the South Korean authorities' manoeuvres to foil a joint festival to be held at Panmunjom on August 15.

The statement denounced South Korean authorities' "disapproval" of the Grand National Reunification Festival at Panmunjom, which is to be jointly held by the preparatory committees in the North, South and overseas, as an anti-national behaviour trampling down the desire of the 70 million nation for reunification.

If the South Korean authorities persistently suppress the civilian efforts for reunification, while giving only lip-service to "nation" and "reunification", they will face a stern judgement by the 70 million nation, the statement emphasized.

The statement said that the South Korean authorities should get rid of anti-national and anti-reunification stance and spare no cooperation in holding a joint national festival on August 15.

Dailies Criticize Arrest of Pak Yong-kil

SK0208050895 Pyongyang KCNA in English 0457 GMT 2 Aug 95

[FBIS Transcribed Text] Pyongyang, August 2 (KCNA) — The South Korean fascist hooligans arrested Pak Yong-kil, widow of Rev. Mun Ik-hwan, when she went back after her visit to the northern half of Korea.

Pyongyang-based papers in commentaries today brand their brutality as an atrocity of beasts in human skin, an anti-ethical fascist violence.

The puppets arrested her on the charge of violating the notorious "National Security Law" and are now viciously persecuting her with the alleged "investigation" under the pretext of "confirmation of personal safety" and "medical examination."

An analyst of NODONG SINMUN says:

Their act is an anti-national, anti-reunification, anti-ethical brutality, which is unpardonable from the viewpoint of reunification, etiquette of the nation and ethics and morality and the health of the widow of advanced age of above 70; it is an intolerable challenge to the compatriots at home and abroad, who hoped for her safe return.

The analyst goes on to say:

While staying in Pyongyang, she did nothing but honoured the memory of the fatherly leader President Kim Il-song on his first death anniversary, the president who showed a great loving care to Rev. Mun Ik-hwan. The widow's tour of Pyongyang is out of question in view of the beautiful manners and customs handed down by the ancestors and human ethics and morality and, accordingly, cannot be an object of suppression.

By arresting the widow who did things beneficial to the country, the nation and reunification the Kim Yong-sam fascist clique added one more crime to their high treason.

We do not consider the puppets' persecution of Pak Yong-kil to be the same as they suppressed other visitors of South Korea to Pyongyang, but brand it as a thrice-cursed treason brandishing sword against the pure mind of all the Koreans in the North, South and overseas who infinitely revere the father of the nation.

We cannot but take a serious view of the fact that the South Korean puppets raised her meeting with "members of an anti-state organisation" as a pretext of persecution.

We will keep a tab on the current crime of the Kim Yong-sam group and make them pay dearly for it ten million fold.

The Kim Yong-sam group should put an immediate halt to the fascist suppression of the widow and send her home at once.

If the fascist clique keep her behind the bars and persecute and punish her, they will be struck by lighting and thus their fate will be brought to an end.

We will watch the action of the Kim Yong-sam fascist clique.

A MINJU CHOSON analyst charges that the Kim Yong-sam group are scheming to make Pak Young-kil die in prison as they persecuted Rev. Mun Ik-hwan who had been to Pyongyang.

Radio Also Critical

SK0208110395 Pyongyang Korean Central Broadcasting Network in Korean 1225 GMT 1 Aug 95

[Commentary by Yun Pyong-son: "Criminal Act That Will Be Cursed for Generations"]

[FBIS Translated Text] As has already been reported, the South Korean puppets committed a fascist violent act by arresting Mrs. Pak Yong-kil, widow of the Reverend Mun Ik-hwan, who returned to South Korea via Panmunjom on 31 July, charging her with violating the notorious National Security Law.

The puppet clique is attempting to arrest and punish Mrs. Pak Yong-kil, calling the righteous activities for reunification she engaged in during her stay in Pyongyang a crime. This is a vicious challenge to the people at home and abroad who hoped for her safe return and personal safety, as well as another criminal act that will be cursed by the nation and by mankind for generations.

The puppets are taking up the issue of her visit to Pyongyang. However, her visit was purely an expression of etiquette and morality stemming from the intimate relations between the Reverend Mun Ik-hwan and the great leader Comrade Kim Il-song. It was nothing more than that.

As everyone in our country knows, when a misfortune befalls relatives, neighbors, or friends, the etiquette of expressing condolences by visiting their place and the morality of cherishing the memory of the deceased have been handed down by our ancestors. While staying in Pyongyang, she did nothing but honor the memory of the fatherly leader—the president who showed great loving care to Reverend Mun Ik-hwan—on the first anniversary of his [Kim Il-song's] death.

In view of the beautiful manners and customs handed down by our ancestors, as well as human ethics and morality, her visit to Pyongyang cannot be categorized as a crime. Accordingly, it cannot be an object of suppression. Those in authority in South Korea failed to express the etiquette of paying respect to our leader's misfortune. Nonetheless, they branded Mrs. Pak's visit to Pyongyang a crime and arrested her, a woman who belatedly expressed condolences to the president. This treatment should not take place under any circumstances. The act of arresting Mrs. Pak Yong-kil will add one more crime to their high and unparalleled crimes.

We do not consider the puppets' persecution of Pak Yong-kil to be the same as their suppression of other South Korean visitors to the North. The South Korean authorities not only babble about the so-called resumption of inter-Korean talks, but also attempt to solve the issue of resuming talks by begging outside forces. Arresting and suppressing Mrs. Pak is not an issue concerned with the individual, but an issue concerned with us, a dialogue partner.

Furthermore, we cannot help but take a serious view of the fact that the South Korean puppets raised her meeting with members of an anti-state organization as a pretext for persecution. They are letting out a string of antinational blunders, branding us members of an antistate organization. On the other hand, they talk about dialogue. This is a serious self-contradiction.

It is truly absurd that they will conduct a dialogue with us while persecuting Mrs. Pak for contacting our people, her fellow countrymen. Before babbling about dialogue, the South Korean authorities should stop their suppression and persecution of Mrs. Pak Yong-kil, who waged righteous activities for the nation's unity and reunification.

There is a saying that a man should behave like a man. Mrs. Pak Yong-kil is an elderly woman. How can we call the South Korean authorities, who brutally suppress her without taking her condition into consideration, a man? They are villains that do not have a man's basic etiquette or conscience. The murderers who caused Reverend Mun Ik-hwan, who had visited Pyongyang, to pass away under inhumane persecution and suppression before seeing the days of reunification, are now attempting to commit another murder by putting his wife behind bars and persecuting her.

The people can clearly see how strikingly different the North and South are regarding the issue of the South Korean authorities' persecution of Mrs. Pak Yong-kil. In the North, men and women, old and the young, aroused and warmly saw off the envoy of reunification from Pyongyang to Panmunjom. However, as soon as Mrs. Pak strode across the Demarcation Line, the South Korean authorities arrested her. This clearly proves to the world who wants reunification and reconciliation, and who does not.

The South Korean authorities should immediately stop their fascist suppression of Mrs. Pak Yong-kil and should unconditionally send her home. If the fascist clique imprisons, persecutes, and punishes her, they will be struck by lighting, and thus their fate will be brought to an end.

The entire fellow countrymen and the world's people who hope for national reconciliation, unity, and reunification will watch the South Korean authorities' actions.

Democratic Front Decries Intellectuals' Arrest

SK0208044995 Pyongyang KCNA in English 0419 GMT 2 Aug 95

[FBIS Transcribed Text] Pyongyang, August 2 (KCNA) — A spokesman for the Central Committee of the Democratic Front for the Reunification of the Fatherland published a statement on August 1 denouncing the South Korean ruling quarters for arresting and detaining those intellectuals who published and distributed the great leader President Kim Il-song's reminiscences "With the Century" on the charge of "spies".

He branded this fascist outrage as an extension of habitual method used by the South Korean fascist clique to find a way out in faking shocking "incidents" related to the North whenever they faced a serious political crisis in the past.

He further said: The great leader's reminiscences are a true textbook of struggle and life run through with the idea of loving the country, the nation and the people.

South Korean lawyers and "prosecution" hold that to reprint articles from or introduce foreign publications cannot be a crime. But the ruling quarters under the "civilian" mask arrested and detained those intellectuals who published and distributed the reminiscences of the great leader. This shows that their confrontation policy against the nation reached its extremity.

It is one more intentional and premeditated plot to do harm to the DPRK and Chongnyon [General Association of Korean Residents in Japan] that the South Korean ruling quarters arrested the intellectuals who did a righteous act, on a charge of "spies" who had relations with the General Association of Korean Residents in Japan (Chongnyon).

The charge of "spies" is no more than a clumsy self-made drama of the South Korean authorities facing a hopeless ruling crisis owing to the repeated failure of the internal and external policies, a big defeat in the "local autonomous system elections" and social confusion caused by the collapse of "Sampoong Department Store". A lie cannot work anyone. [sentence as received]

The South Korean ruling quarters must stop at once all the smear campaigns against the DPRK and Chongnyon and immediately release the unreasonably arrested intellectuals, clearly seeing that they cannot break by force the faith and will of the people to hold the fatherly leader President Kim Il-song in high esteem forever as the sun of the nation.

If they continue to crack down on the intellectuals who conducted patriotic press activities, they will be more bitterly denounced and rejected by the nation as a "civilian" fascist fanatics, maniacs of North-South confrontation.

Pastor An Sung-un Meets Press at Pongsu Church

SK0108130895 Pyongyang Korean Central Television Network in Korean 1100 GMT 1 Aug 95

[Remarks by Pastor An Sung-un during a meeting with unidentified reporters at Pongsu Church in Pyongyang on 31 July; processed from the audio only]

[FBIS Translated Text] An Sung-un, a South Korean pastor who courageously came over to the northern half of the republic some time ago, visited Pongsu Church on 31 July. After this, he met with reporters.

In a meeting with reporters, he said:

[Begin An recording] My name is An Sung-un. My native town is No. 566, Kagudong, Waryong Myon, Andong County, North Kyongsang Province. My address in Seoul is Sihung-4-tong, Kumchon-ku, special city of Seoul.

I graduated from a theological seminary after studying four years, and completed a two-year graduate course. After this, I went to China as a missionary. While staying in China, I wanted to visit North Korea without fail. Although I did not visit many places after coming to the North, I had an impression that Changgwangwon and other places in Pyongyang have good welfare facilities. I wish to thank to my fellow countrymen for their warm hospitality. As I visited Pongsu Church, I met with the pastor and heard he is able to take spiritual care of a congregation of Christians in this place. Hearing this, I can hardly repress my deep emotions.

After I was ordained as a pastor in 1992, I came to China with a pure heart. At first, I came with the supreme order of God to spread the gospel to the ends of the earth. I came with the pure gospel in order to abide by this supreme order to administer baptism to all races in the name of the Father, the Son, and the Holy Spirit by assuming them as disciples. Thus, I had dialogues with many people on many occasions.

However, one day, members of the Agency for National Security Planning [ANSP] came to China. They gave me $1,600. I first thought they gave me this money to support my missionary work, and I was exceedingly grateful for this. There are about 3 million ethnic Koreans in the area. Therefore, when I came out every three months, I was given $1,500. I was also grateful for this, thinking the money was for my missionary work.

One day this past March, they wanted to meet me as I was going out of the country with the issuance of visa [sentence as received]. I went to the 13th floor of the Olympia Hotel in Kangnam, Seoul. They asked me how I had been up to then and how I spent the money. As I said, I spent it for missionary work. To this, they expressed agreement with my acts. However, in return for this, they asked me for a favor. I asked them what it was. They wanted me to put down something on paper. First, they raised China's human rights issue. They wanted me to mention China's complicated human rights issue whenever I preach, emphasizing that only when people raise the human rights issue through elections and the like, can China be liberated.

Second, they said that many North Koreans will come to the area, including soldiers, members of the People's Security Forces, and government officials. They wanted me to allure them and to bring them to the possible extent.

I asked how I could do such a thing as a reverend. I could not do it, I would return the money. I thought that the money was purely for missionary work. I said that I now knew why they gave me the money. I said that I could not do it. Then they said that they would not leave me alone. They said that I would not be able to return. They threatened and blackmailed me. At that time, I thought that I might never be able to return. I said that I would do as they wanted.

Then I went to China. This was in April of 1995. There was a phone call for me. It was Han Myong-sik, section chief of the ANSP, asking me if everything was going well. He has many assumed names, such as Choe Su-ho or Choe Chong-ho.

He asked me if everything was going well, how I was preaching, and whether I was raising the issue of human rights in China. When I said that I could not do such things as a reverend and for the sake of my conscience, he called me every two days, every day asking me if my life wasn't dear to me and whether I would do as they asked.

I could not stand it any longer for the sake of my conscience as a reverend. I could not sleep at night, and I was at a loss as to what to do. I thought about whether we had to carry out missionary work just in China. I thought, since the gospel had already spread throughout South Korea, shouldn't the gospel also be spread in North Korea?

In the past, I saw video tapes of North Korea, even of the Pongsu Church. Then I made a decision: the only place for me is North Korea. If I missed this opportunity I would never be able to go. Since I could not return for the sake of my conscience as a reverend, I rode the train to Pyongyang.

When I arrived, I thought that I made the right decision. This is because here, apart from what I had thought, the train was running on an electric railway. I'm sorry to say this, but in South Korea they say that trains cannot run because there is no coal. The train that I rode ran on an electric railway.

The ANSP told many lies. In the future, while thinking about the ANSP, I will give a detailed talk when the opportunity comes. What I would like to say is that there are 700,000 people attending the Yoido Full Gospel Church. While in China, I was not able to bid farewell to Reverend Cho of the Yoido Full Gospel Church because I was being pursued and it seemed that my telephone was bugged.

Through this opportunity, if this video tape is televised, I would like to say to Reverend Cho that I'm very sorry, I came here not being able to bear the ANSP any longer. I was not even able to give a report to him before coming here. I will be very grateful if Reverend Cho comes here and delivers a sermon with all the Pyongyangites gathered for the nation and reunification. I will believe that it will happen without fail. Thank you reporters. Thank you. [end recording]

Japan 'Discriminating' Against Korean Schools

*SK3107111595 Pyongyang KCNA in English
1052 GMT 31 Jul 95*

[FBIS Transcribed Text] Tokyo, July 28 [date as received] (KNS-KCNA) — The Committee for Defending the Rights of Koreans in Japan held a press conference on July 26 in Tokyo concerning the qualifications of the Korean high school graduates for entrance examinations at national universities of Japan.

Chairman of the committee Choe Il-su addressed the press conference.

He said: The committee conducted an opinion poll at national universities of Japan. This revealed the discriminating attitude of the Japanese authorities toward

Korean schools. The Japanese Government must not insist on the policy going against the era, but remain true to in the stand that opportunities of education should be ensured equally. It must recognize the qualifications of the Korean high school graduates for entrance examinations at national universities of Japan.

Youth Forum Discusses Japan's 'Past Crimes'

SK2707221795 Pyongyang KCNA in English 1502 GMT 27 Jul 95

[FBIS Transcribed Text] Tokyo, July 25 [date as received] (KNS-KCNA) — A forum of Japanese and Korean youths thinking of the 50th anniversary of the end of war took place in Tokyo on July 17.

It was attended by officials of the Central Committee of the Socialist Youth Union of Japan, the Council of Japanese Youth Organizations and the Central Committee of the League of Korean Youth in Japan.

The forum discussed the issue of liquidating the past crimes of Japan including Japan's colonial rule over Korea and the role of youths in solving this. Exchanged at the forum were each other's experience in their activities.

Hong Sang-chin, director of the secretariat of the fact-finding group of forcible drafting of Koreans gave a lecture on the issue of Japan's liquidation of its past including the criminal case of "comfort women for the army."

Those present at the forum unanimously said that it is urgent for Japan to apologize for its colonial rule over Korea and compensate for it. All organisations present confirmed that they would promote friendly relations and conduct a solidarity movement for an independent and peaceful reunification of Korea.

Guyanese Support Joint Press Statement

SK2907024095 Pyongyang KCNA in English 2156 GMT 28 Jul 95

[FBIS Transcribed Text] Pyongyang, July 28 (KCNA) — [Words indistinct] the Amerindian Action Movement of Guyana, the Guyanese National Committee for the Study of the Chuche Idea of Comrade Kim Il-song and the Guyana-Korea Friendship Association published a joint statement on July 19 in support of the DPRK-U.S. joint press statement.

The statement noted that the Democratic People's Republic of Korea has made sincere efforts to solve the nuclear issue on the Korean peninsula fairly and peacefully and implemented the DPRK-U.S. agreed framework sincerely. The DPRK-U.S.joint press statement clearly proved the justice of the principled stand of the DPRK toward the provision of the light water reactors, it said, and went on:

If the U.S. truly want peace and reunification of the Korean peninsula, it must immediately abandon the anachronistic policy against Korea and sincerely carry out its duty indicated in the joint press statement. [Words indistinct] Korean authorities should feel [words indistinct] conscience for their artificial obstacles to the DPRK [words indistinct] and stop the moves to perpetuate the Korean division.

Norwegian Delegation Concludes Visit

SK0108144695 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 29 Jul 95

[FBIS Translated Text] The Norwegian Communist Party friendship visiting group led by Dag Norum [spelling of name as received], international secretary of the party's Central Committee, returned home by train on 29 July.

Yim Sun-pil, deputy director of a department of the Workers Party of Korea Central Committee, bid the visiting group farewell at Pyongyang Station.

Jordanian Groups Urge 'Prisoner' Repatriation

SK0108151295 Pyongyang KCNA in English 1506 GMT 1 Aug 95

[FBIS Transcribed Text] Pyongyang, August 1 (KCNA) — The Arab Islamic Democratic Movement of Jordan, the Independence Centre of Jordan and the Jordanian Committee for Friendship and Solidarity With the Korean People issued a joint statement on July 26, demanding the repatriation of the unconverted long-term prisoners in South Korea to the Democratic People's Republic of Korea.

The statement said that they were surprised at news that the unconverted long-term prisoners have been detained in South Korea for 42 years after the ceasefire in Korea.

The statement called upon human rights organizations of the world to strive for the repatriation of the long-term prisoners.

Nepalese, Japanese Delegations Arrive on Visit

SK0108214395 Pyongyang KCNA in English 1507 GMT 1 Aug 95

[FBIS Transcribed Text] Pyongyang, August 1 (KCNA) — A government information and communications delegation of Nepal led by Pradip Nepal, minister of information and communications, and a delegation of the Japanese Society for the Study of Kimilsongism led by Kenichi Ogami, secretary general of the International Institute of the Chuche Idea, arrived here today by air.

Visit Kim Il-song's Statue

SK0208045195 Pyongyang KCNA in English 0423 GMT 2 Aug 95

[FBIS Transcribed Text] Pyongyang, August 2 (KCNA) — The government information and communications delegation of Nepal led by Pradip Nepal, minister of Information and Communications, and Kenichi Ogami, secretary general of the International Institute of the Chuche Idea, visited the great leader President Kim Il-song's statue on Mansu Hill in Pyongyang, laid a bouquet of flowers and a floral basket before the statue and made bows on Tuesday.

Kim Chong-il Recognizes Workers, Soldiers

Sends Gifts to Farmers

SK0208045395 Pyongyang KCNA in English 0426 GMT 2 Aug 95

[FBIS Transcribed Text] Pyongyang, August 2 (KCNA) — The great leader Comrade Kim Chong-il sent gifts to the exemplary agricultural workers and sub-workteam heads of the Sukchon County, South Pyongan Province, agricultural complex who are making innovations in farming to fully display advantages of public ownership.

The speakers at a meeting for conveying the gifts said Comrade Kim Chong-il founded the agricultural complex in Sukchon County to successfully carry out the intention of the great leader President Kim Il-song to convert cooperative ownership to public ownership and has wisely led it to display its great vitality and advantages and shown warm care for the agricultural workers repeatedly.

The gifts sent by Comrade Kim Chong-il contain his firm belief and hope that the officials and agricultural workers of the complex will continue to achieve good successes in their efforts to give a full play to advantages of public ownership, they said, and expressed the resolution to make active efforts to display the advantages of public ownership in the future too.

Thanks Soldiers, Civilians

SK0208045595 Pyongyang KCNA in English 0446 GMT 2 Aug 95

[FBIS Transcribed Text] Pyongyang, August 2 (KCNA) — The great leader Comrade Kim Chong-il sent thanks to the officers and privates of the Kim Chin-sop unit of the Korean People's Army, families of the officers, an officer Kim Won-sam of the Chon Hak-nim unit of the Korean People's Security Forces and his wife and an employee Kim Hyon-ho of the Mangyongdae Revolutionary School for their noble communist virtues.

Those who spoke at meetings to convey the thanks expressed their resolution to continue to give full play to the traditional trait of army-people unity. His thanks carry his hope that they will more faithfully serve for the Army and the people, society and the collective, they added.

Praises Deceased Technician

SK0208061695 Pyongyang Korean Central Television Network in Korean 1100 GMT 31 Jul 95

[FBIS Translated Text] The great leader [yongdoja] Comrade Kim Chong-il received a report on Comrade Han Ki-yong, who had earnestly worked as an experimental engineer at the Industrial Technology Research Center at the Komdok Mining Complex and died at work. He highly praised Han and gave him great love and consideration.

[Begin recording] [Pak Pong-chun] I am primary party secretary Pak Pong-chun and a colleague of Comrade Han Ki-yong. Comrade Han Ki-yong was an excellent comrade and a living model who showed us how technicians of our times should live and work. He had earnestly worked at Komdok for over 30 years and died at work on 22 May. The comrade had high blood pressure and his health condition did not allow him to work. Nevertheless, Comrade Han Ki-yong questioned how one can comfortably receive treatment at the hospital when one should live a day like a hundred days, particularly when the complex is marking the 20th anniversary of the respected and beloved General Kim Chong-il's on-the-spot guidance. He insisted on working at the research center and died at work while reviewing technical preparation data. He had a blueprint in his hands when he died.

[Unidentified speaker] I did not know or work with Comrade Han Ki-yong long, but he was truly a man of action, not words. Comrade Han Ki-yong made four state-level inventions, 12 new technology introductions, and 35 reward inventions; implemented 20 technology tasks; and registered 15 technology patents. Thus, he greatly contributed to our country's mining industry with his scientific and technological research achievements. All these achievements of Comrade Han Ki-yong are inconceivable without his unparalled loyalty to the party and pure party-oriented conscience as a technician. Indeed, the lofty ideological and political traits displayed by Comrade Han Ki-yong are a model we intellectuals should learn and follow in upholding our party with science and technology and in working for the prosperity and development of our country and fatherland.

All technicians of our complex deeply bear the great faith and love of the respected and beloved General Kim Chong-il, who has given brilliant immortality to Comrade Han Ki-yong and praised him in front of the entire country, with matchless faith and love for all technicians. We are filled with the flaming enthusiasm to develop more technological innovations and inventions required by increasing the production of lead, zinc, and minerals, and contribute to the prosperity and development of our country and fatherland. [end recording]

Al-Qadhdhafi Sends Kim Chong-il Message

SK0108143995 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 28 Jul 95

[FBIS Translated Text] Comrade Kim Chong-il, the great leader [yongdoja] of our party and people, received a congratulatory message from Mu'ammar al-Qadhdhafi, leader of the great 1 September Revolution of the Socialist People's Libyan Arab Jamahiriya, on the occasion of the 42d anniversary of the victory in the fatherland liberation war.

The congratulatory message is as follows:

Pyongyang.

To his excellency General Kim Chong-il, chairman of the DPRK National Defense Commission and supreme commander of the Korean People's Army:

On the occasion of the anniversary in which the people of your country achieved a great victory in the war opposing the aggressors, I am happy over the fact that I am able to convey my most sincere congratulations to you under the name of myself and the Socialist People's Libyan Arab Jamahiriya.

I hope that you have a long and happy life, and hope that there will be progress and prosperity for the friendly DPRK people.

[Signed] Col. Mu'ammar al-Qadhdhafi, leader of the great 1 September Revolution of the Socialist People's Libyan Arab Jamahiriya

[Dated] 25 July 1995, Tarabulus

Kumsusan Project Overseen by Kim Chong-il

SK0208102095 Pyongyang KCNA in English 1012 GMT 2 Aug 95

[FBIS Transcribed Text] Pyongyang, August 2 (KCNA) — People from all walks of life continue visiting the Kumsusan Memorial Palace built in a grandiose and sublime way in Kumsusan area, the supreme holy land of chuche, to see the respected leader President Kim Il-song preserved in state and pay the highest tribute to him.

It was the unanimous desire of the Korean people to preserve him in eternal state.

It was our great leader, Comrade Kim Chong-il, who materialized their desire.

The Kumsusan Memorial Palace is perfect from the architectural and medical point of view. Thanks to Comrade Kim Chong-il's infinite loyalty, it has been built on the highest level on the basis of up-to-date science and technology.

Comrade Kim Chong-il said:

"It is our people's unshakable will to hold respected Comrade Kim Il-song in high esteem as the eternal leader of our party and our revolution with the purest hearts."

Since President Kim Il-song passed away in July last year, Comrade Kim Chong-il paid the deepest concern to preserving him in eternal state and directed the project for reconstructing the Kumsusan Assembly Hall as the memorial palace.

When the construction of the memorial palace was raised, some officials suggested that it should be built on Mansu Hill where a statue of President Kim Il-song is standing, or at Kim Il-song Square associated with significant records of his leadership or in Mangyongdae where he was born.

Hearing their recommendations, Comrade Kim Chong-il said that the Kumsusan Assembly Hall was the building which our people constructed for President Kim Il-song and where he worked for many years, so he should be preserved in state there.

He went to the site and said President Kim Il-song should be laid in state in the hall which is the centre of the building and is on the highest floor. In the historical hall President Kim Il-song, in his lifetime, received peoples from all walks of life, compatriots from South Korea and abroad and party and state leaders and other prominent figures from many countries and had pictures taken with them.

What he intended was to keep President Kim Il-song at the highest peak of glory as in his lifetime, different from the ways famous great men and state leaders have been laid in state in many countries, so that our people can always go to the palace and see him.

Later, Comrade Kim Chong-il found himself at the site dozens of times to make sure that the floor and walls were decorated with red marble and the hall was built in a solemn and grandiose way with soft purple light suitable for it so that our people can have a good look at President Kim Il-song preserved in state as he was in his lifetime.

Saying that keeping President Kim Il-song in the form of eternal life means preserving him permanently as he was in his lifetime, he indicated concrete ways to this end.

Upon hearing that technicians made it possible to preserve President Kim Il-song in eternal state with their concerted wisdom and researches, he highly appreciated them for their great service.

He also paid deep concern to the building of the hall where a marble statue of President Kim Il-song is standing.

The marble statue was the most important thing in the arrangement of the hall.

Seeing the designs of a statue of the president in generalissimo uniform, a statue of him raising his hands to illumining the future and other designs, Comrade Kim Chong-il said that the statue should not be an imaginary one.

He said the statue should depict the president in the days when he conducted activities at the Kumsusan Assembly Hall and the posture of him standing with his hands behind his back when he was receiving home and foreign peoples or posing for a photograph with them is very familiar to the Korean people.

He also said the background of the statue should be of the color of beautiful red glow and blue sky.

He directed big efforts to the construction of wide stairs leading to the hall where the president is preserved in state, from the hall where the statue is standing.

The original design envisaged a partial reconstruction of the existing narrow stairs.

Acquainting himself with the design on the spot, Comrade Kim Chong-il said that wide stairs should be built newly to remind the visitors of the president embracing all of them in his bosom and, for this, the stairs should be reconstructed in a broad way, undeterred to the structure of the main building.

The stairs is 9-18 metres wide and is made up of 114 steps.

Comrade Kim Chong-il also saw to it that a lift was installed near the stairs for the convenience of the visitors.

He made sure that all the windows of the assembly hall were covered to represent its appearance like mausoleum and the national emblem of the Republic at the top of the facade of the building was replaced with a portrait of the president with a broad smile on his face.

There are many other stories about what he has done to successfully build the memorial palace, the supreme holy land of chuche.

Thanks to this loyal heart, a plaza 415 metres long and 216 metres wide has appeared in the front of the memorial palace with an accommodation of as many people as twice Kim Il-song Square's.

A circuit tramline has also been laid for the visitors.

It was entirely thanks to the energetic thinking and leadership of Comrade Kim Chong-il that the Kumsusan Memorial Palace and its vicinity have been successfully built as a grand monument of the time which takes a perfect appearance of the supreme holy land of chuche.

Shows Kim Chong-il's Loyalty

SK0208043895 Pyongyang KCNA in English 0412 GMT 2 Aug 95

[FBIS Transcribed Text] Pyongyang, August 2 (KCNA) — The great leader Comrade Kim Chong-il has shown the strongest sense of loyalty and moral obligation in preserving President Kim Il-song in eternal state.

Since President Kim Il-song passed away in July last year, Comrade Kim Chong-il paid deepest concern to preserving him in state.

Some officials suggested that he should be preserved in state on Mansu Hill where his statue is standing or at Kim Il-song Square associated with significant records of his leadership. And others considered that time-honored Mangyongdae would be better.

Comrade Kim Chong-il, however, told officials that the Kumsusan Assembly Hall (now Kumsusan Memorial Palace) was a building our people built for President Kim Il-song and a place where he worked for many years so that he should be preserved in state there.

The Kumsusan Memorial Palace has been built successfully as the supreme holy seat of chuche thanks to the energetic thinking and leadership of Comrade Kim Chong-il, who remains loyal and devoted to President Kim Il-song on the highest level and has an architectural aesthetic view which no master architect can match.

In this way Comrade Kim Chong-il has set a good model of the successor to the cause of the leader by holding President Kim Il-song in greater esteem than in his lifetime.

Foreign Papers Laud Kim Chong-il

SK0208103695 Pyongyang KCNA in English 1028 GMT 2 Aug 95

[FBIS Transcribed Text] Pyongyang, August 2 (KCNA) — Foreign newspapers carried articles on Comrade Kim Chong-il, the great leader.

The Bulgarian paper KOMMUNISTICHESKO DELO [spelling of paper as received] ran an article titled "Comrade Kim Chong-il's Policy" together with his portrait.

What Comrade Kim Chong-il, the leader of Korea, did first after the passing away of the great leader President Kim Il-song was a project to hold the president in high esteem for all ages, the article said, adding:

"Comrade Kim Chong-il pays deep attention to defending, inheriting and further developing the ideas of Comrade Kim Il-song.

"The important affairs and activities Comrade Kim Chong-il has done recently are all aimed at exalting the exploits of President Kim Il-song and fulfilling his plans and behests.

"Comrade Kim Chong-il's loyalty to President Kim Il-song's ideas and cause is reflected in the policy of national reunification and foreign policy as well as home policy.

"Comrade Kim Chong-il embodies Comrade Kim Il-song's ideas and cause in his policies a hundred percent."

The Thai paper XIN ZHONG YUAN RIBAO came out with an article headlined "Leader With Great Influence on Contemporary Times."

Comrade Kim Chong-il has a great influence on the independence-oriented current of the contemporary times and enjoys absolute authority, the article said, and went on:

"Today humankind believe Korea will succeed in socialism, which is growing stronger under his experienced and energetic leadership. This helps them have confidence in victorious socialism.

"His Excellency [H.E.] Kim Chong-il is highly praised as the great leader of the present times, because he not only looks after the destiny and future of the Korean people in a responsible manner but also defends justice, truth, the dignity and independence of the popular masses."

The Thai paper XING SAN RIBAO carried an article entitled "H.E. Kim Chong-il Is Supreme Leader of Korean People."

Publish Kim Chong-il Works

SK0208103195 Pyongyang KCNA in English 1019 GMT 2 Aug 95

[FBIS Transcribed Text] Pyongyang, August 2 (KCNA) — Famous works of the great leader Comrade Kim Chong-il were carried by foreign papers.

His work "Giving Priority to Ideological Work Is Essential for Accomplishing Socialism" was run by the Pakistani paper EXCLUSIVE, the Ethiopian paper MONITOR and the Mexican paper TRABAJADORES.

His work "Socialism Is a Science" was carried by the Indian paper BADI WAKIL.

Kim Chong-il's Foreign Relations Work Viewed

952C0152A Pyongyang NODONG SINMUN in Korean 9 Apr 95 p 2

[Article by Choe Song-kuk: "The Great Leadership That Is Leading Humanity's Cause of Self-Reliance to Victory"]

[FBIS Translated Text] It has been 30 years since the great helmsman Comrade Kim Chong-il visited Indonesia.

The respected and beloved Comrade Kim Chong-il accompanied the great leader Comrade Kim Il-song and paid a historic visit to Indonesia from 9 through 21 April 1965 to attend commemorative events marking the 10th anniversary of the first Afro-Asian conference. On 18 April 1955 the leaders of Asian and African countries gathered together in Bandung, Indonesia, for the first time. At the conference they had serious talks on matters of common interest to the peoples of the Asian and African continents and proclaimed the common goal of opposing imperialism and colonialism and strengthening political, economic, and cultural ties and cooperation between the two continents. The first Afro-Asian conference was a significant international event that demonstrated to the world that the peoples of emerging Asian and African countries who had formerly been subject to contemptuous treatment and oppression were now making their debut on the world stage as a powerful anti-imperialist force. For this reason, the commemorative events marking the 10th anniversary of the Bandung Conference, attended by the heads of state and government of 40 Asian and African countries and numerous prominent personages, was the focus of worldwide attention.

The respected and beloved Comrade Kim Chong-il paid a historic visit to Indonesia and took the opportunity to enhance the international authority and prestige of the great leader Comrade Kim Il-song, develop friendly and cooperative relations with emerging nations, and strengthen unity and solidarity among anti-imperialist forces on the occasion of his presence at various commemorative events marking the 10th anniversary of the Bandung Conference, on which international attention was focused. The great leader [yongdoja] Comrade Kim Chong-il's visit to Indonesia, his first foreign visit since he initiated his work at the Party Central Committee, was an epochal event marking a turning point in the development of our foreign relations. It was a brilliant journey that made an immortal contribution to the anti-imperialist cause of whole humanity.

The great leader [yongdoja] Comrade Kim Chong-il pointed out as follows: "To step up work with emerging countries is one of the important aspects of our party's policy on foreign relations activities. Up until now the scope of our foreign relations has not extended much beyond socialist countries. However, from now on we have to exert great effort in developing relations with emerging countries. Only by strengthening work with emerging countries will it be possible to expand the ranks of supporters of and sympathizers with our revolution and vigorously promote the anti-imperialist cause of self-reliance on a global scale."

In those days many changes were taking place in the international arena. Numerous countries in the world achieved national independence from subjugation to imperial and colonial rule, emerging as powerful anti-imperialist revolutionary forces on the stage of history. On the other hand, the international imperialist and reactionary forces were stepping up their machinations to thwart the growth and advance of emerging forces and stamp out the masses' cause of self-reliance.

This tide in the international situation and the changes in international relations posed the urgent questions of how to create an international environment advantageous to our revolution by expanding our relations not only with socialist countries but also with the emerging countries, and how to promote humanity's cause of self-reliance by accelerating the reorganization of international revolutionary forces and augmenting the unity and strength of the world's anti-imperialist self-reliant forces.

During his stay in Indonesia, the great leader [yongdoja] Comrade Kim Chong-il acted energetically, emphasizing efforts to find ways to resolve these urgent issues posed by our revolution and our time.

During his stay in Indonesia the great leader [yongdoja] Comrade Kim Chong-il attended the commemorative ceremony and the mass rally marking the 10th anniversary of the Bandung Conference. He also attended a number of events such as: the ceremony awarding the "Order of the Republic of Indonesia" to the great leader Comrade Kim Il-song; the ceremony conferring an honorary doctorate on the great leader; the lecture given by the great leader at the "Ali Arham" [phonetic] Academy of Social Sciences; the extraordinary session of the people's consultative conference in Bandung; the flower-laying ceremony at the heroes' cemetery; and the cornerstone-laying ceremony at the conference hall of emerging nations. He also toured various places, including the Bogor Botanical Garden, which was the first to introduce "Kimilsongia" to the world.

He took every opportunity to develop friendly and cooperative ties with the emerging countries and emphasize the need to promote the masses' cause of self-reliance by smashing the machinations of the imperialist forces to dominate the world.

On 14 April 1965 the great leader Comrade Kim Il-song hosted a return banquet at the Indonesian State Palace. It was attended by the Indonesian president, the second vice premier, and other high-ranking government officials, leaders of political parties and social organizations, and personages representing various strata in Indonesia, and diplomatic representatives stationed in Indonesia.

The great leader [yongdoja] Comrade Kim Chong-il sat next to high-ranking Indonesian government officials at the banquet. He told them how Korea and Indonesia had similar backgrounds in the past and share the common goal of struggle now. He explained to them in plain, logical terms various issues such as: stepping up the anti-imperialist struggle and strengthening the friendly and cooperative ties between the two countries in order to realize their common goals and ideals; strengthening the emerging forces; and using the strategy of unity to smash the "divide and rule" strategy of the imperialists—who are viciously scheming to thwart and destroy the unity and solidarity of the anti-imperialist forces. He outlined concrete measures for strengthening political unity and economic and cultural cooperation among emerging nations by discussing detailed conditions, possibilities, and methods, and explained the principled position of our party and government on these issues.

The Indonesian government officials were moved so much by the great leader [yongdoja] Comrade Kim Chong-il's intelligent analyses, clear judgement, systematic and lucid logic, clairvoyant insights, and modest and bold personality that they highly admired him as an "eminent foreign relations activist."

The great leader [yongdoja] Comrade Kim Chong-il continued his activities up until the last moment before he left Indonesia, meeting with the Indonesian president's close aides. He clarified to the Indonesian people the thought that imperialism is the common enemy of the two countries and the whole world, and that if the people of the world band together and fight shoulder to shoulder, they will emerge victorious without fail. He also stressed the need to strive actively to further cement the friendship between Korea and Indonesia. He posed for a souvenir picture with the presidential aides and security guards.

Moved by his great thought about anti-imperialism and self-reliance and his outstanding strategy, the Indonesian people vowed in unison to be loyal to the anti-imperialist sovereignty cause to the end and make active efforts to strengthen the friendship between Korea and Indonesia.

Through his energetic foreign relations activities during his stay in Indonesia, the great leader [yongdoja] Comrade Kim Chong-il made a great contribution to elevating our foreign relations onto another higher plateau, strengthening the unity and solidarity of the world's anti-imperialist forces including the emerging forces, and propelling forward humanity's cause of self-reliance.

The clear independent stand and adherence to the principles of revolution, as well as the infinite devotion to the cause of self-dependance, are part of the inborn disposition of the great leader [yongdoja] Comrade Kim Chong-il. The great leader [yongdoja] Comrade Kim Chong-il, who embodies the fate of the masses and the aspirations and wishes of humanity, early on published his famous masterpiece "On The Characteristics and Aggressive Nature of Modern Imperialism" in his university days. In this masterpiece he scientifically and logically elucidates the characteristics, aggressive nature, ferocity and craftiness of modern imperialism, as well as the fundamental problems arising in efforts to advance the world revolution by stepping up the anti-imperialist struggle.

Practice has attested to the justness and vitality of the thoughts and theories presented by the great leader [yongdoja] Comrade Kim Chong-il during his visit to Indonesia 30 years ago. The scope of foreign relations activities of our republic has expanded beyond comparison; the authority and prestige of our republic in the international arena have established themselves so firmly that no force on earth can bring them down; and the ranks of supporters of and sympathizers with the cause of our revolution have expanded to the extent that they can be found anywhere in the world.

The anti-imperialist self-reliant forces, including the nonaligned movement, have grown so powerful that they can no longer be ignored. The unity and cooperation among them has been strengthened more than ever before.

The great leader [yongdoja] Comrade Kim Chong-il has been sagaciously leading the cause of making the whole world self-reliant, through his energetic foreign relations activities, presenting outstanding thoughts and theories at each period and stage of the revolution's development.

The great leader [yongdoja] Comrade Kim Chong-il has published numerous classic masterpieces. Among them are: "Let Us Strengthen the Friendship and Solidarity with Emerging Countries"; "Let Us Vigorously Move Forward Holding High the Banner of Marxism-Leninism and the Chuche Ideology"; "On the Fundamental Problems Involving Revolutionary Party Building"; and "Slander Against Socialism Cannot Be Tolerated." In these classics he gave perfect scientific answers to all theoretical and practical problems arising in the task of strengthening the world's anti-imperialist self-reliant forces in every possible way and promoting the world revolution and humanity's cause of self-reliance. In particular, his immortal classic "Socialism is Science" proved the scientific validity, veracity, and invincibility of socialism with iron-clad logic, thereby dealing a decisive blow to the imperialists and the socialist renegades who vilify socialism. On the other hand, this classic serves as an immortal militant banner illuminating the road to progress and ultimate victory for the progressive people of the world in mankind's cause for self-reliance and the cause of socialism.

With his busy schedule of guiding the party and state's overall operations, the great leader [yongdoja] Comrade Kim Chong-il meets with foreign leaders and personages in all strata from various countries. On these occasions he clarifies the principles and goals of our party's foreign policy and the justness of our foreign relations operations. He elucidates the anti-imperialist strategy for self-reliance, as well as solutions to complex international problems, on the basis of a scientific analysis of the international situation and of the characteristics of international relations. That is not all. He has developed and enriched the immortal chuche ideology—the greatest thought on self-reliance in modern times—and he is sagaciously leading the effort to translate this ideology into practice on a global scale.

Indeed, the respected and beloved Comrade Kim Chong-il is a great master of thought, theory, and of the art of leadership. He has been leading the world revolution and mankind's cause of self-reliance from early on.

Under the leadership of the great leader [yongdoja] Comrade Kim Chong-il, the strength of the world's anti-imperialist self-reliant forces has increased and the masses' cause of self-reliance is ceaselessly expanding its sphere.

People throughout the world say in a unanimous voice: "Comrade Kim Chong-il is the incarnation of Comrade Kim Il-song, and the world will move forward following the thought and leadership of the most outstanding Commander Kim Chong-il, who is destined to lead the 21st century."

The cause of making the whole world self-reliant will vigorously advance under the sagacious leadership of the respected and beloved Comrade Kim Chong-il.

Nepal Publishes Kim Il-song's Reminiscences

SK0208102595 Pyongyang KCNA in English
1017 GMT 2 Aug 95

[FBIS Transcribed Text] Pyongyang, August 2 (KCNA) — Volume 1 of Part 1 "Anti-Japanese Revolution" of *With the Century*, the great leader President Kim Il-song's reminiscences, was published in Nepalese by Samjana Publishing House of Nepal on June 30 on his first death anniversary.

Nature of Human Rights 'Offensive' Described

SK0208104195 Pyongyang KCNA in English
1035 GMT 2 Aug 95

["Reactionary Nature of Imperialists' Offensive of 'Human Rights Defence'" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 2 (KCNA) — NODONG SINMUN today carries a signed article exposing the reactionary nature of the imperialists' offensive of "human rights defence".

The article says:

The reactionary nature of the "human rights defence" moves of the imperialists lies first of all in covering up the anti-popular essence of capitalist society and creating illusion about capitalism. In capitalist society the popular masses are denied of the right to take part in politics. Only the exploiting class with much money and ruling class enjoy privilege and material benefit in capitalist society. There can never be equality in political life, material life between the rulers and the exploiting class who have political domination and production means and products to themselves and the working masses who are oppressed and exploited by them. The further capitalism develops, the wider the gap between the rich and the poor grows.

Capitalist society is also destitute in ideological and cultural life. The human rights of the people in public traits are mercilessly stamped down.

Nevertheless, the imperialists are posing as a "human rights defender" and blaring as if capitalist society were a society where the human rights are "ensured", all the people are "equal" and individual "freedom" and "democracy" are guaranteed. This is a sophism and a deceptive trick to conceal the reactionary and anti-popular essence of capitalist society.

The reactionary nature of the "human rights defence" moves of the imperialists lies also in designing to destroy the faith of the people in socialism and disorganize and degenerate the socialist countries and the anti-imperialist, independent countries from within.

In destroying socialism, the imperialists are concentrating arrows on weakening the people's faith in the socialist cause and taking them off from the road of socialism.

Under the signboard of "human rights defence" they are making the socialist countries and the anti-imperialist, independent countries abandon the socialist principle and the revolutionary principle and seeking a heinous purpose to find a pretext for their undisguised intervention in the internal affairs of these countries.

The anti-socialist moves of the imperialists under the signboard "human rights defence" will be frustrated and independence which gives the popular masses the right to true life will win victory. This is an inevitability of history.

Modelling Party on Chuche 'Important Guideline'

SK0208104895 Pyongyang KCNA in English
1042 GMT 2 Aug 95

["Modelling of Whole Party on Chuche Idea" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 2 (KCNA) — NODONG SINMUN in a by-lined article today says all the theoretical and practical questions arising in party building including the line of modelling the whole party on the chuche idea, laid down by the great leader Comrade Kim Chong-il in a work on August 2, 1974, are a highly important guideline that should always be tackled in the building of a revolutionary party of chuche type.

The great significance of the work is, first, that with the publication of the line of modelling the whole party on the chuche idea the Workers' Party of Korea [WPK] came to have a guideline with which to strengthen and develop itself into a party of the great leader Comrade Kim Il-song for good and all, the article says, and continues:

With the line of modelling the whole party on the chuche idea laid down in the work the WPK has been provided with a mighty ideological and theoretical weapon to imbue the whole party with the chuche idea, the revolutionary idea of Comrade Kim Il-song, a valuable guideline for the building of a revolutionary party of chuche type.

The significance of the work is, second, that the work was very instrumental in making a great progress in the efforts to build the party ranks with communist revolutionaries of chuche type.

The idea and theories of the work have been a precious guideline for the efforts to build the party and cadres with revolutionaries of chuche type, who are possessed of a firm revolutionary outlook on the leader and uphold the party and the leader with revolutionary faith and sense of obligation, to unite broad segments of the masses around the party and the leader and build up the revolutionary ranks.

The significance of the work is, third, that the work was very instrumental in strengthening party guidance over socialist economic construction.

By making strenuous efforts to apply the idea and theories laid down in the work the WPK has been able to frustrate economic blockade by the imperialists, give full play to the revolutionary zeal and creative ingenuity of the popular masses, demonstrate the advantages of socialist economic system in full and firmly defend Korean-style socialism.

The great significance of the work is, fourth, that the work has been a guideline with which to bring about a new change in the efforts to improve the system and method of party work.

The WPK has been able to liquidate all manner of formalism and outdated method of work and establish a well-knit system of party work and a true method of party work—combination of leadership with the masses and work among the people.

Power Plants Strive To Boost Power Production

Chagang Province

SK0208082195 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 30 Jul 95

[FBIS Translated Text] According to a report by station reporter Choe Un, party members and workers of the operational work site of small- and medium-sized power stations of Chagang Province who considerably surpassed the power production target for the first half of this year by vigorously carrying out the struggle to welcome the 50th anniversary of the party founding with brilliant labor results, are continuing to achieve innovations in electricity production by highly sounding the drum beat of the revolution.

In particular, electricity producers of small- and medium-sized power stations in Songgan district are conducting further water management work in accordance with the conditions of the rainy season, and are guaranteeing operation at a high water level, thus, achieving innovations in surpassing the daily production target by over 110 percent.

Electricity producers of small- and medium-sized power stations in Tongsin District are also thoroughly carrying out dam and waterway repair work. They are concentrating their strengths on water management work and are operating power generation facilities scientifically and technically, thus, maintaining a high and steady rate of electricity production.

Small- and medium-sized power stations in the Hwapyong, Chasong, Changgang districts are actively exploring and mobilizing inner reserves with the revolutionary spirit of self-reliance and fortitude, thus, considerably increasing electricity production.

Taechon Hydroelectric Complex

SK0208101195 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 31 Jul 95

[FBIS Translated Text] Electricity producers of the Taechon Hydroelectric Power Complex are continuing to achieve innovations with the spirit of having overfulfilled their July target.

Electricity producers at the no. 1 power station, who are engraving in their hearts the fatherly leader's teaching when he was alive and who are overflowing with blazing enthusiasm to loyally uphold the great leader [yongdoja] Comrade Kim Chong-il's leadership, have finished the general overhaul of the no. 11 generator ahead of schedule, and are continuing to enhance electricity production.

Electricity producers of the no. 2 power generation work site are also vigorously carrying out the struggle to finish the general overhaul of facilities ahead of schedule, and have accepted high water levels and high-efficiency operations, thus sending more electricity to various sectors of the people's economy.

Pyongyang Thermoelectric Complex

SK0208101495 Pyongyang Korean Central Television Network in Korean 1100 GMT 31 Jul 95

[FBIS Translated Text] Electricity producers of the Pyongyang Thermoelectric Power Complex, who are vigorously working to elucidate the 50th anniversary of the party founding as a great festival of the victors, are vigorously carrying out the struggle to increase electricity production.

Electricity producers here, who are well aware of the significance and importance of producing electricity in implementing the party's revolutionary economic strategy, are highly manifesting the revolutionary spirit of self-reliance and fortitude with one mind in order to produce even one kilowatt of electricity so that it can be sent to various sectors of the people's economy.

In particular, at the heat producing work site, improvements in technology management on facilities are being carried out and full operation is being guaranteed, thus the production of vapor is being enhanced at a high level and the struggle to increase the per hour output of electricity is being vigorously carried out.

At the turbine work site, strength is being concentrated on managing turbines, and its operation is being conducted scientifically and technically; thus, the struggle to produce more electricity than the month before is being carried out.

Also, workers and technicians of the electricity work site have accepted a new cooling method that is in accordance with the atmospheric temperature, and they are rationally adjusting the temperature of the transformers; thus, they are vigorously carrying out the struggle to send more electricity to the various sectors of the people's economy.

Sunchon Floodgate Power Plant

SK3107142095 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 29 Jul 95

[FBIS Translated Text] As of 27 July, electricity producers at the Sunchon Floodgate Power Station overfulfilled their July electricity production target. Those who are making strenuous efforts to achieve results in electricity production in order to elucidate this significant year, the 50th anniversary of the party's founding, are carrying out the work of organizing production in accordance with the conditions of the rainy season, and are also tenaciously and effectively carrying out facility management, thus producing 250,000 kilowatts of electricity more than planned.

In particular, Yi Yong-chol, the engineer on duty at the electric power generation work site, and operators Comrades Yi Kwang-su, An Un-su, Yi Chong-ho, and Chon Chong-ho, are carrying out facility management and operational work with responsibility; under close contact with the floodgate work site, they are rationally adjusting water, thus overfulfilling the daily electricity production target.

South Korea

Honolulu Site of Talks With U.S. on North

SK0208121695 Seoul YONHAP in English 1212 GMT 2 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 2 (YONHAP) — The government will have last-minute talks with the United States next Monday [7 August] on a proposal it plans to make to North Korea on Aug. 15.

A government official said Wednesday that the two-day talks are set to be held in Honolulu, Hawaii.

The meeting, the official said, will review the highlight of the Aug. 15 overture, which he said will be an idea of peace mechanism on the Korean peninsula.

The talks will be attended by eight to nine South Korean officials led by First Deputy Foreign Minister Yi Chae-chun. The American delegation will comprise seven to eight officials headed by Assistant Secretary of State Winston Lord.

Also at the Honolulu talks, the two sides will exchange opinions on the issues of rice assistance to North Korea, other latest developments in South-North relations, and the creation of a high- level strategy meeting on policies toward North Korea as agreed on at the recent Korea-U.S. summit talks, the official added.

Seoul To Raise Pending Issues at Rice Talks

SK0208035495 Seoul CHOSON ILBO in Korean 2 Aug 95 p 2

[Report by Kim Chae-chol]

[FBIS Translated Text] The government intends to raise pending issues that are causing friction between the North and South, such as the issue on the repatriation of the Usong and the abduction case of the Reverend An, at a third round of North-South talks slated to be held in Beijing, China on 10 August.

A high-ranking government official revealed on 1 August that "the issues on returning the Usong and the Rev. An will be raised first at the talks before rice aid and North-South economic cooperation are taken up." The official stated: "It will be difficult to discuss rice assistance and economic cooperation, which were the original major agenda items for the third round of the talks."

The official added: "North Korea will probably attempt to concentrate on the rice assistance issue, however, it is rather difficult to provide additional rice to North Korea under current circumstances."

In preparation for the third round of inter-Korean rice talks, the government on 31 July held a meeting of relevant ministers, including Vice Premier Hong Chae-hyong, Unification Minister Na Ung- pae, Foreign Minister Kong No-myong, and Yi Sok-chae, vice Finance and Economy minister (our side's chief delegate to the North-South rice talks). At the meeting, the government decided to participate in the third round of Beijing talks and finalized their stance on rice aid to North Korea.

'Real Power Holders' in North's Army Listed

SK0108121395 Seoul SEOUL SINMUN in Korean 31 Jul 95 p 15

[Article by Chang Su-kun, researcher at SEOUL SINMUN's Unification and Security Research Institute: "The Real Power Holders in North Korea's Military"]

[FBIS Translated Excerpt] In North Korea, a military-style state, how close and how often one holds the supreme leader in high esteem is a major indicator of the degree of power one exercises. This being the case, those general officers who accompany Kim Chong-il on military-related activities are not only deeply trusted by Kim Chong-il, but will most likely hold important positions when the Kim Chong-il regime is launched, and thus will wield great influence.

The North Korean Army is the fifth largest military force in the world. Who are the real power holders in the North Korean Army? The following military leaders are known to be real power holders in the North Korean military, according to data and information contained in *Who's Who in North Korea* published by SEOUL SINMUN, which is revised and supplemented annually based on the results of following the activities of 16,000 major North Korean figures. [passage omitted on biographical information on these military leaders was previously published as "East Asia Daily Report—Supplement: Biographical Information on DPRK Figures"—FBIS-EAS-95-015-S]

According to the content of *Who's Who in North Korea*, the number of Kim Chong-il's military-related activities from the beginning of this year until the end of June totals 12. Generals Yi Pong-won, Yi Ha-il, and Kim Myong-kuk, as well as Colonel General Pak Chae-kyong, closely escorted Kim Chong-il on his visits to military units and other events. The number of active-duty general officers in the North Korean military is approximately 1,200. Of these, most of the core general officers above the rank of colonel general are graduates of the Mangyongdae Revolutionary Academy, Kim Il-song Military University, and Kang Kon Military Officers Academy. They form the main force of body guards for Kim Chong-il. Of these, the number who escort and guard Kim Chong-il at close distances totals about 15. [passage omitted]

The following shows Kim Chong-il's major military-related activities and the name of the general officers who escorted him, as well as the frequency of these escorts.

1 Jan	Kim Chong-il visited the 214 Unit of the Korean People's Army's [KPA]; escorted by Yi Pong-won, Pak Chae-kyong, and Choe Kwang
28 Jan	Kim Chong-il received the participants of the 9th KPA agitators meeting and saw a performance of military ensembles; escorted by Yi Pong-won, Pak Chae-kyong, Choe Kwang, Kim Kwang-chin, and Yi Ul-sol.
5 Feb	Kim Chong-il visited the 291st Women Coastal Artillery Company of the KPA; escorted by Yi Pong-won, Yi Ha-il, Pak Chae-kyong, Kim Myong-kuk, and Kim Ha-kyu.
6 Feb	Kim Chong-il visited the 155th Naval Unit of the KPA; escorted by Yi Pong-won, Yi Ha-il, Pak Chae-kyong, Kim Myong-kuk, Kim Ha-kyu, Kim Il-chol, and Cho Myong-nok.
25 Feb	Kim Chong-il visited the mortuary of O Chin-u; escorted by Yi Pong-won, Yi Ha-il, Kim Myong-kuk, Choe Kwang, Kim Kwang-chin, Yi Ul-sol, Kim Il-chol, Cho Myong-nok, Paek Hak-nim, and Pak Ki-yon.
1 Mar	Kim Chong-il attended O Chin-u's funeral; escorted by Choe Kwang, Kim Kwang-chin, Yi Ul-sol, and Paek Hak-nim.
5 Mar	Kim Chong-il saw a mass gymnastic game entitled "We Will Uphold You Forever"; escorted by Yi Pong-won, Yi Ha-il, Pak Chae-kyong, Kim Myong-kuk, Yi Ul-sol, and Kim Ha-kyu.

1 Jan	Kim Chong-il visited the 214 Unit of the Korean People's Army's [KPA]; escorted by Yi Pong-won, Pak Chae-kyong, and Choe Kwang
15 Mar	Kim Chong-il attended a meeting of KPA company commanders and political officers; escorted by Yi Pong-won, Yi Ha-il, Pak Chae-kyong, Kim Myong-kuk, Choe Kwang, Kim Kwang-chin, Yi Ul-sol, Kim Ha-kyu, Kim Il-chol, Cho Myong-nok, Paek Hak-nim, and Pak Ki-yon.
17 Mar	Kim Chong-il attended a performance by the KPA orchestra; escorted by Yi Pong-won, Yi Ha-il, Pak Chae-kyong, Kim Myong-kuk, Choe Kwang, Kim Kwang-chin, and Kim Ha-kyu.
25 Apr	Kim Chong-il visited the 1017th Unit of the KPA; escorted by Yi Pong-won, Yi Ha-il, Kim Myong-kuk, Choe Kwang, Kim Kwang-chin, Yi Ul-sol, and Cho Myong-nok.
15 Jun	Kim Chong-il visited the 853d Marine Unit of the KPA; escorted by Yi Ha-il, Pak Chae-kyong, Kim Myong-kuk, Kim Ha-kyu, and Kim Il-chol.

The number of times escorted by:	
Yi Pong-won	9
Yi Ha-il	8
Pak Chae-kyong	8
Kim Myong-kuk	8
Choe Kwang	7
Kim Kwang-chin	6
Yi Ul-sol	6
Kim Ha-kyu	6
Kim Il-chol	4
Cho Myong-nok	4
Paek Hak-nim	3
Pak Ki-yon	2

Need for 'Epochal Proposal' to North Questioned

SK0208052195 Seoul CHUNGANG ILBO in Korean 1 Aug 95 p 5

[Editorial: "Appeasement Gesture Toward North Korea's Threat?"]

[FBIS Translated Text] The ROK people have growing misgivings about the series of North Korea's antinational acts, as well as the ROK Government's reaction. North Korea is not letting up on in its continuous provocations, as though testing the ROK Government's appeasement policy, which aims for reconciliation through grant-type rice aid and other measures.

North Korea kidnapped pastor An Sung-un in Yanbian and rejected the visit of a delegation of the Korean Peninsula Energy Development Organization, which included an ROK deputy executive director. On 29 July, North Korea's Committee for the Peaceful Reunification of the Fatherland and six other organizations issued a statement stating that exercising jurisdiction over Pak Yong-kil, widow of the late Reverend Mun Ik-hwan, is tantamount to "a challenge to the North," and threatened that South Korea "will pay hundreds and thousands times more for this." The statement added: "We have never shown mercy to those who persecute or suppress envoys of reunification and return sword for sword."

We are familiar with the nature of the North Korean regime. There is more proof that North Korea has consistently answered our fraternal friendship and our efforts for smooth, orderly, and peaceful reunification with complete ignorance and deceitful maneuvers. North Korea's position has not changed at all, according to an interview with Kim Yong-sun, secretary on South Korean affairs of the Workers Party of Korea and a key aide to Kim Chong-il. The interview was conducted by a Korean-American priest and carried in a monthly, and it even ridicules the ROK's rice aid. He noted that North Korea has no food, clothing, or housing problems, and belittled South Korea's rice offer by likening South Korea's reaction to Japan's rice aid as just being "like mimicking someone else's actions."

Although the government said that North Korea promised to return the abducted Usong ship crew during the rice negotiations, North Korea responded with provocations and threatening tactics. Kim Yong-sun said: "As seen in our proverb 'The cow goes its way no matter how a dog barks,' we will persistently go on our way." This proves that North Korea's policy on South Korea has not changed at all.

The ROK people are skeptical about the need to make an epochal proposal to North Korea on the 50th anniversary of liberation. Such a proposal is like throwing an egg against a boulder of Mt. Inwang, and requires more prudent examination.

Firms To Avoid Competition in North Projects

SK0208001695 Seoul THE KOREA HERALD in English 2 Aug 95 p 8

[FBIS Transcribed Text] Business leaders agreed not to engage in excessive competition in promoting inter-Korean projects, which have been pursued at a disorderly manner by South Korean companies through their respective North Korean contact points.

Members of the committee on inter-Korean economic cooperation under the umbrella of the Federation of Korean Industries (FKI) held the second committee meeting at the FKI building yesterday and reached an agreement to strengthen its role in arbitrating the scope of inter-Korean economic projects to be promoted by FKI member groups and other specifics.

The committee, now in an inaugural state, will not make recommendations such as demanding for the easing of restrictions on inter-Korean projects for the time being, which it says needs to be pursed in keeping with the government's policies toward the North. Instead, the committee will focus on maintaining voluntary order among member its companies, it said.

The committee concluded that South Korean companies' efforts to promote economic cooperation with their northern counterparts have failed to make progress and it will take time for the South and the North to establish full-fledged economic cooperation channels.

The committee said it will consider appointing two to three advisers with expertise in North Korean affairs to promote inter-Korean projects in an effective manner.

PRC Protests Ambassador's Abduction Remark

SK0208040295 Seoul CHUNGANG ILBO in Korean 2 Aug 95 p 1

[Report by Yi Sang-man]

[FBIS Translated Text] It was learned on 1 August that PRC public security authorities currently investigating the abduction case of the Reverend An Sung-un have protested to the ROK Government regarding the Rev. An's recent religious activities in Yanbian, China, which violate China's domestic law on missionary work.

A high-ranking government official revealed that "the PRC Government has also delivered an expression of protest regarding ROK Ambassador to China Hwang Pyong-tae's announcement that referred to the Rev. An's entry into North Korea as an abduction," and said that "the PRC will not arrive at a conclusion that the reverend was abducted because this may trigger a complicated diplomatic problem with North Korea."

He added: "Chances are rather high that the PRC will arrest the Rev. An on charges of violating its domestic law even if North Korea returns him."

Seoul, Moscow To Discuss Better UN Cooperation

SK0208075495 Seoul YONHAP in English 0748 GMT 2 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 2 (YONHAP) — Officials from South Korea and Russia will meet in Moscow Thursday [3 August] to discuss ways to enhance bilateral cooperation in the United Nations Security Council (UNSC), Foreign Ministry spokesman So Tae-won said Wednesday.

Director-General Ham Myong-chul of the Foreign Ministry's United Nations Systems Bureau will represent South Korea at the meeting, the spokesman said.

The meeting was arranged for South Korea to discuss a variety of issues with members of the UNSC in preparation for the country's entry into the council for the 1996-97 term.

Among the issues to be discussed are reforms at the United Nations and its affiliated organizations, human rights and refugees, peacekeeping operations and the Bosnian civil war.

The Foreign Ministry has already held similar meetings with Japan and Indonesia and will have discussions with China and Australia by the end of the year, according to the spokesman.

Groups Urge Release of All 'Political Prisoners'

SK0208053095 Seoul YONHAP in English 0513 GMT 2 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 2 (YONHAP) — Some 10 leaders of religious and dissident organizations demanded Wednesday the release and civil rights restoration of all "political prisoners."

In what they called the "Declaration of 1995" issued in a downtown restaurant, they, including Priest Song Wol-chu, leader of the Chogye Buddhist order, and Yi Chang-pok, co-chairman of the National Alliance for Reunification, claimed there are 465 political prisoners behind bars who were imprisoned for their struggle to achieve democracy and national unification, including Kim Son-myong, 71, who has been imprisoned for 45 years.

The government must release them all and remove other "democratic fighters" from the police's wanted list on the occasion marking the 50 anniversary of the country's liberation from Japanese rule on Aug. 15, they asserted.

They said some 10 religious and dissident organizations would meet at the Myongdong Catholic Cathedral on Aug. 12 to launch a six-day campaign for the release of Kim Son-myong, the world's longest-serving political prisoner.

Groups Appeal Military's Kwangju Decision

SK0208082495 Seoul YONHAP in English
0737 GMT 2 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 2 (YONHAP) — Chong Tong-nyon, chairman of the May 18 Kwangju Popular Uprising Alliance and other groups which have accused former Presidents Chon Tu-hwan and No Tae-u and their followers of attempted insurrection, for their alleged involvement in the armed suppression of the Kwangju citizens's democratization movement in May 1980, appealed Wednesday to the Defense Ministry to reexamine the military prosecution's decision not to indict the 11 active-duty army officers, including Joint Chiefs of Staff Chairman Gen. Kim Tong-chin, on charges of insurrection.

They claimed in the appeal that the officers were directly involved in the bloody suppression.

The Defense Ministry, receiving the appeal, referred it to a high military tribunal.

DLP To Delay Filling District Chapter Posts

SK0208063295 Seoul YONHAP in English
0607 GMT 2 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 2 (YONHAP) — The ruling Democratic Liberal Party (DLP) may postpone selecting chief organizers for 29 new district chapters and chapters in trouble, where the posts of chairmen have been left vacant until early September as the reorganization of the party and government lineup has been delayed.

The ruling party tentatively decided to advertise in papers around Aug. 28 that it was accepting applications for the chief organizer positions of the district chapters, a party official said Wednesday.

However, Pak Kwan-yong, special adviser to the president, and So Sok-chae, government administration minister, may be confirmed as chief organizers of Yonje-ku and Saha-ku of Pusan city, respectively, even before the reorganization of the party and government is carried out.

Kim Yun-hwan, DLP secretary-general, said, "It is highly likely that the cabinet and the party lineup may be reorganized around the end of August, considering the schedule of the national administration that includes the Aug. 15 commemorating ceremony, which marks the 50th anniversary since the nation's liberation from Japan. Therefore, the chief organizers of the new district chapters may possibly be selected after early September."

DP Vice President To Join New Party

SK0208022595 Seoul YONHAP in English
0216 GMT 2 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 2 (YONHAP) — Kim Kun-tae, vice president of the opposition Democratic Party (DP), announced on Wednesday that he will join the "National Congress for New Politics," Kim Tae-chung's new party.

Kim held a press conference at the new party building and said, "based on the current political conditions, the new party is a realistic choice for a 'horizontal power shift'."

He said he chose the new party because the horizontal power shift is the short-cut to achieve democracy and the unification of South and North Korea.

Rumor of Pak Kun-hye Election Run Denied

SK0208071495 Seoul YONHAP in English
0651 GMT 2 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 2 (YONHAP) — Sources close to Vice National Assembly Speaker Yi Han-tong denied as untrue Wednesday the press report that in a bid to check the influence of ruling Democratic Liberal Party (DLP) Secretary-general Kim Yun-hwan in the DLP he spread a rumor that the late President Pak Chong-hui's daughter, Kun-hye, would run in next year's general election on the United Liberal Democratic (ULD) ticket in Sonsan, North Kyongsang Province, which is Kim's parliamentary district.

The report said Yi, one of the DLP's presidential hopefuls after President Kim Yong-sam's retirement, which includes Kim Yun-hwan, had told several reporters over lunch Monday that there is a rumor that Pak Kun-hye would run in the coming general elections on the ULD's ticket from Secretary-General Kim's district in Sonsan.

And ULD officials said, "A certain influential leader of the DLP spread the rumor to check his rival."

Yi left for his parliamentary district Wednesday morning and was not available for comment. But one of his close associates said, "It appears that the ULD has spread the rumor to set Secretary-General Kim against Vice Speaker Yi."

Asked to comment, Secretary-General Kim laughed, quipping, "How can Vice Speaker Yi, known for his liberal-mindedness, make such a remark?"

As for Pak Kun-hye's running in the general elections, he said, "Everybody has the freedom to choose his or her electorate."

Bad Weather Delays Mugunghwa Satellite Launch

*SK0208063595 Seoul YONHAP in English
0626 GMT 2 Aug 95*

[FBIS Transcribed Text] Seoul, August 2 (YONHAP) — The launching of the Mugunghwa satellite, South Korea's first multi-purpose satellite, from the Kennedy Space Center in central Florida at 7:15 AM Thursday local time (8:15 PM Thursday Korean time) has been delayed for one or two days due to adverse weather conditions there.

Korea Telecom's satellite business center, responsible for the Mugunghwa satellite project, said Wednesday, "Tropical storm Erin, originating from seas off southeastern Miami, Florida, developed into a hurricane at 9 AM Tuesday, and is expected to pass the Kennedy Space Center Wednesday afternoon. Accordingly, the launch of the Mugunghwa satellite has been delayed one or two days."

The hurricane shifted its course towards central Florida, where the launching pad is located, and is expected to hit the eastern coast of Florida Wednesday at dawn and pass the Kennedy Space Center Wednesday afternoon, according to Korea Telecom.

The satellite launching contractor, the McDonnell Douglas Co., has accordingly suspended second-stage satellite launching preparations slated for Tuesday including its fueling, Korea Telecom said.

McDonnell Douglas will inspect for possible damage to the satellite vehicle, body and launching pad after the hurricane passes before restarting launch preparations. Should no damage be sustained, the satellite should blast off either Friday or Saturday, Korea Telecom officials added.

Telecommunications Meeting Held in Singapore

*SK2807011695 Seoul THE KOREA HERALD
in English 28 Jul 95 p 8*

[FBIS Transcribed Text] Korea and Singapore have agreed to bolster mutual cooperation in the telecommunications industry.

The agreement was reached during the first meeting of the Korean-Singapore Telecom Cooperative Committee, which was held in Seoul yesterday.

Yi Chong-sun, director-general of Korean Ministry of Information and Communication's international cooperation bureau, and Lim Chuan Poh, director-general of Telecommunication Authority of Singapore, attended the meeting as chief delegates.

"Bilateral ties will be greatly upgraded in the multimedia service, software development, wireless communications, satellite communications and the information superhighway project, in particular," Yi said in a statement released after the meeting.

"Korea and Singapore will seek ways to make joint inroads into telecom service and equipment markets of China and Southeast Asian countries," said Yi.

The delegates also shared the view that Singapore's state-of-the-art telecom applications services such as tourism and port information systems and Korea's advanced technologies in the manufacturing of electronic switching system and fiber-optic cable can complement each other through closer cooperation.

In addition, Lim Chuan Poh promised to extend full support for South Korean companies to advance into Singaporean telecom markets. Korea's Samsung Electronics has exported about $7.7 million worth of fiber-optic cable and $5.4 million worth of telephone sets, cellular phones and pagers to Singapore last year.

The second meeting of the committee will be held in Singapore next year.

Further Developments in Sampoong Case Reported

Vice Mayor Accepted Bribe

*SK0208015595 Seoul YONHAP in English
0132 GMT 2 Aug 95*

[FBIS Transcribed Text] Seoul, Aug. 2 (YONHAP) — The joint prosecution-police investigation team summoned Kang Tok-ki, vice Seoul mayor, on Tuesday to question him about his approval of a partial opening of the Sampoong Department Store as he was chief of the Industry and Economy Bureau in 1989.

The prosecution said it confirmed Kang accepted a 2 million won bribe from the department store, which collapsed on June 29, this year, but that it cannot punish him legally because the statute of limitations already expired. Kang returned home at 00:40 Wednesday [1540 GMT 1 August].

However, the prosecution did notify the Seoul city government of its investigation's findings regarding the vice mayor.

Kang approved the partial opening of the Sampoong Department Store on Nov. 30, 1989, but denied that he received any bribes.

But an arrested Seoul city official testified that Kang received a bribe. Yi Chung-kil, then-Commerce and Industry Division chief, told the prosecution that on Dec. 22, 1989, shortly after approval of the partial opening of the department, department chairman and president

Yi Chun and Yi Han-sang, respectively, treated Kang to dinner at a Japanese restaurant in Sinsa-tong and the next day gave him 2 million won at his office in City Hall. Yi Chung-kil, 60, has already been arrested on bribery charges.

The prosecution said that the statutes of limitations for Kang's bribery charge is five years. "But he received the bribe five years and nine months ago, so we could not arrest him," a prosecutor said.

Ward Head's Assailants Arrested

SK0208015695 Seoul YONHAP in English
0135 GMT 2 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 2 (YONHAP) — Police, investigating the assault and battery case involving Socho ward head Cho Nam-ho, applied Wednesday for an arrest warrant against Kim Yon-chol, 26, on charges he violated the law governing violence.

Kim was charged with having assaulted Cho, causing him injuries which will require medical treatment for about two weeks, during memorial services held in Socho Ward Council Hall last Saturday honoring those killed in the Sampoong Department Store's collapse in late June.

Police arrested Choe Kyong-sik, 38, who was also wanted on the same charges, after he surrendered himself Tuesday, while Pak Pong-sop, 48, was arrested on similar charges Monday.

Police are still looking for five people wanted for the same crime.

In a related development, Seoul city announced Wednesday a revised list of casualties in the Sampoong disaster — 458 dead, 307 injured, 34 unidentified and 52 missing.

Building Firm Role in Malaysian Project Denied

SK2907131595 Seoul YONHAP in English
1305 GMT 29 Jul 95

[FBIS Transcribed Text] Seoul, July 29 (YONHAP) — The South Korean Government Saturday denied reports that a South Korean construction firm took part in the building of an apartment unit in Malaysia, whose hundreds of residents were recently evacuated for fear of danger of collapse.

In a statement, the Finance and Transportation Ministry [name of ministry as received] said that the apartment in Pahang Province, Malaysia, was constructed by a consortium of Pahang Provincial government and a local construction firm half owned by a South Korean who was a former employee of Seoul's Samick Construction Co.

The local firm "Rollover", owned evenly by the ex-Samick employee and a local Malay Raza Tungu Azman, participated in the construction of the apartment in question, the statement said quoting a ministry official dispatched at the South Korean Embassy in Malaysia.

Rollover took part in the construction of the apartment in a joint venture with RLP, a Malay construction firm affiliated with the Pahang Provincial government, according to the statement.

Rollover has 30 percent of the total stake in the RLP-Samick joint venture and its partner RLP has the rest.

Through RLP, the former Samick employee has 15 percent stake in the RLP-Samick joint venture, the statement said.

REUTERS Saturday reported in a dispatch from Malaysia that an apartment unit in a big apartment complex in Pahang, east of Kuala Lumpur, is in danger of collapse and local police evacuated over 500 residents in the unit. REUTERS also said that a South Korean construction firm took part in the construction of the apartment on the verge of collapse.

Burma

Ohn Gyaw Hints at Political Exclusion of Suu Kyi

BK0208065395 Singapore THE STRAITS TIMES in English 31 Jul 95 p 12

[Report by Ignatius Stephen in Bandar Seri Begawan]

[FBIS Transcribed Text] Foreign Minister of Myanmar [Burma] U Ohn Gyaw indicated that opposition leader Aung San Suu Kyi may not be able to participate in political activities in her country.

The minister, who attended the ASEAN ministerial meeting here as a guest of Brunei, did not say directly that she would be excluded from politics, but said she could be affected by a constitutional decision made by her late father, General Aung San, who led the country to independence.

"General Aung San, the father of the nation, set down a rule that those who married foreigners and those who are receiving assistance and cooperation from the outside world or had foreign connections were not allowed to take part in local politics," he told THE STRAITS TIMES in an interview at the weekend.

Ms. Aung San Suu Kyi is married to Briton Michael Aris.

According to news reports, a new constitution being drafted for Myanmar contains a provision that would disqualify her from leading the country because she has lived abroad for many years and is married to a foreigner.

The constitution that independence hero General Aung San helped to draft was suspended after a 1962 coup.

A new constitution came into existence in 1974, but that, too, was annulled shortly after the present junta — known officially as the State Law and Order Restoration Council — assumed power in September 1988.

Mr. Ohn Gyaw, referring to the 1947 Constitution, said that General Aung San made it a condition that Myanmar's independence "should be a true kind of freedom."

"Look at the scenario then," he said. "Myanmar was under the British for more than 100 years. Economic life was dominated by the Chinese and Indians. And then there were the Anglo-Burmese and the Anglo-Indians. In the government itself there were many Anglo-Burmese and British civil servants.

"If Myanmar were to hold elections under these conditions and if these foreigners were allowed to participate and continue to control the country, there would be no meaning to independence."

That was why General Aung San had laid down such a rule, he said.

"You must, therefore, remember that it is not something new in Myanmar politics."

The minister said Ms. Aung San Suu Kyi, released after nearly six years of house arrest on July 10, was now a free person.

But whether she would be able to stand for elections in the country would depend on the new Constitution still being drafted, he adde.

"I do not know what the new constitution will consist of. But you must note that she has been married to a foreigner and she is understood to have received some form of foreign assistance," the minister said.

She could become the victim of rules laid down by her own father, he added.

Thai Daily Interviews Aung San Suu Kyi

BK0108121095 Bangkok THE NATION in English 1 Aug 95 p A5

[First part of "edited text" of interview with Aung San Suu Kyi by editor-in-chief Suthichai Yun and editor Thepchai Yong at her residence in Rangoon "last weekend"]

[FBIS Transcribed Text] [THE NATION] **Will you travel to Bangkok to receive the honorary doctorate in political science that Thammasat University has conferred on you in recognition of your peaceful democratic struggle?**

[Suu Kyi] I would very much like to come but I cannot say at this moment when I shall be able to come.

[THE NATION] **So you have no plans to travel outside Burma at the moment.**

[Suu Kyi] Not at the moment because there is lot of work to be done here and also lots of organization to take care of.

[THE NATION] **Didn't you say earlier that you would go to Oslo to pick up the Nobel Peace Prize Award?**

[Suu Kyi] Actually, the Norwegian ambassador invited me to come to Oslo to receive the award and I said personally the first foreign country I would like to visit is Norway because they have supported us so staunchly. But it was not a promise. It was that I would try to visit Norway at the first opportunity.

[THE NATION] **How about stopping by in Bangkok on your way to Norway?**

[Suu Kyi] I could stop over on the way back as well. I promised Norway that it would be the first country I would try to visit.

[THE NATION] **How does Thailand relate to you? Your father founded the Burma Independence Army in Bangkok in 1941 and you must have travelled through Thailand a number of times and have friends there.**

[Suu Kyi] I must admit that for the last six years through reading newspapers like The Nation and other publications in Bangkok which have been very supportive, there are many people in Thailand who really understand our situation and really want to help us. This, for me, has been a tremendous encouragement that there's so much support for our cause in Thailand. You have been so strong in many of the things you have written. And I heard that there is sometimes pressure on you to tone down your articles and yet you remain very strong. Newspapers in Thailand always keep an interest on Burma. For me, Thailand in general is a friendly and supportive country. There have been problems, of course. Our democratic forces have complained about the official Thai policy. And I know that there has been trouble with refugee camps. But this is something natural and normal because when there are refugees, there must be spats with the local people. But on the whole, the people of Thailand are very sympathetic and supportive.

[THE NATION] **What about the government of Thailand?**

[Suu Kyi] We have had complaints in the past about official Thai policy. I would like to ask the government of Thailand to put the people of Burma first. The people are more important than the government. And even the government itself would not say it is more important than the people. Certainly it's the people who are more important.

[THE NATION] **What do you mean when you say people are more important than the government?**

[Suu Kyi] Their aspirations, their hopes, their situation. When you think of investment and aid you should really look at how far they help the common people, the really poor people. We are not really interested in investment that will help the rich to get richer. I hope you understand that such a situation can snowball and the rich get richer and richer all the time while the poor hardly find any change in their conditions.

[THE NATION] **Some of the Thai officials believe that your release was due partly to the success of Thailand's constructive engagement policy toward Burma.**

[Suu Kyi] I frankly do not know how successful the constructive engagement policy and international pressure were. But of course officially, nobody would ever admit that they have given in to pressure. We'll have to wait a few years more to know what happened within inner government circles in order to evaluate how successful the constructive engagement policy was.

[THE NATION] **Did you hear about constructive engagement policy while you were under house arrest?**

[Suu Kyi] Yes, all the time.

[THE NATION] **What was your first reaction?**

[Suu Kyi] I was rather surprised. My first reaction was that it was something to be expected. It did worry me that they might carry it too far and would adversely affect the progress of democracy.

[THE NATION] **How constructive has the constructive engagement policy been?**

[Suu Kyi] The question is for whom has it been constructive. That we have yet to find out. Was it constructive for the forces of democracy? Was it constructive for the Burmese people in general? Was it constructive for a limited business community? Or was it constructive for SLORC [State Law and Order Restoration Council]? This is the question: for whom was it constructive?

[THE NATION] **Was it constructive for the forces of democracy or NLD [National League for Democracy] at all?**

[Suu Kyi] I have yet to find any hard evidence that it affected us directly although some have said that because of the constructive engagement policy I have been released. But nobody has said exactly why I have been released. So we can't take that for granted.

[THE NATION] **Burma is being admitted by ASEAN into the family of nations. What kind of change do you want to see in ASEAN policy toward Burma?**

[Suu Kyi] I would like the ASEAN nations to look closely at conditions among the ordinary Burmese people and not just to look at places like Mandalay and Rangoon. And even in Rangoon there are certain parts which seem more prosperous and yet there are other parts which have not changed the last 10-15 years. I can recognize those parts which remain exactly the same as they were a number of years ago. I would like ASEAN to think of our long-term relationship and long-term development of Burma and to consider the fact that you cannot have economic progress without peace and stability. And to achieve peace and stability there must be a climate of trust within the nation. There must be a government the people can trust if that country is to be peaceful and stable. In the long run you can't maintain peace and stability without trust and confidence.

[THE NATION] **What kind of advice would you give to the government as Burma moves toward joining ASEAN?**

[Suu Kyi] It is in our NLD booklet that we hope one day Burma will be a member of ASEAN because I do believe in this regional community of nations which is very good for the region and very good on the whole for the world to have such community. So, one day I very much hope that Burma will be a member of ASEAN. But I understand that (former Singaporean prime minister) Lee Kuan Yew said a few months ago that it's going to be a number years before Burma is ready to be in a condition to join ASEAN.

[THE NATION] **Would Burma's integration into the regional community accelerate the move toward democracy in Burma?**

[Suu Kyi] I am not certain about that. I do not know just how effective the persuasive parts of the ASEAN nations are when it comes to internal change. I do notice that while promoting the policy of constructive engagement some ASEAN nations are careful to say that they do not interfere in the internal affairs of another country. If they do not interfere in the internal affairs of another country then how far can they help us achieve change.

[THE NATION] **Would you consider it an interference if an ASEAN country starts commenting about the pace of democratic change in Burma?**

[Suu Kyi] I don't think so because the world is getting smaller all the time. We have to accept that no country is really free from external influence. We are all subject to some degree to international opinions and external influence. There is, of course, a limit as to how far people can be allowed to interfere in the internal affairs of a nation. One does not expect them to come marching in or to introduce measures that would interfere with our sovereignty. But if we care about our regional peace and stability we should care about the kind of governments that are in place in those countries.

[THE NATION] **Do you agree with sanctions?**

[Suu Kyi] I have one reservation about sanctions alone. I do want to make sure that it does not hurt the ordinary people. Whoever thinks of sanctions should study the situation carefully to make certain that whatever sanctions to be implemented really affect those for whom it is intended. As I understand it the economic change that has taken place in Burma the last six years has not really filtered down to the general public. It remains an open question whether sanctions in any way will affect the general public either.

[THE NATION] **How responsive is the military regime in Burma to outside pressure?**

[Suu Kyi] They are not unaware of outside pressure. They are not completely oblivious to it. And I hope as they have more dealings with the international community and as they get more mature they will have a greater respect for international opinions.

[THE NATION] **Are they getting more mature?**

[Suu Kyi] That I cannot say. Apparently some of them said I have become more mature. I hope when they say that they are comparing me with themselves.

[THE NATION] **Are there signs that the military will transfer power to a civilian government?**

[Suu Kyi] It's too early to talk about such a thing. There are some things that we prefer to do quietly at the moment. And when the time is right and we think that we should comment on the rate of progress and on our efforts to achieve dialogue, we shall speak out then.

[THE NATION] **Does that mean you will have talks with the government without making public statements until the time comes when you have some concrete outcome?**

[Suu Kyi] I just mean that at this time I don't want to speculate openly on when we think there might be talks and how the talks might develop. If we have too many prior expectations It's difficult for us to get down to a working relationship. If one side lays down conditions, the other side will also want to lay down conditions. So to get dialogue going smoothly, a period of quiet discussion is necessary.

[THE NATION] **Does that mean you don't have a specific objective at the moment and you would let the talks continue and find out whether you can be satisfied with a certain level of compromise from the regime?**

[Suu Kyi] I am not going as far as that. I am just saying that at this moment we don't even yet have a specific target when we hope to start dialogue.

[THE NATION] **You mentioned Nelson Mandela in some of your interviews. Do you foresee a South Africa solution for Burma?**

[Suu Kyi] Not exactly a South Africa solution because we are not South Africa. I was just using South Africa as a model for the way in which you can achieve settlement through dialogue. There was a time when nobody would have believed that such a thing could be possible. I would like to use South Africa as an example as opposed to the Yugoslavian situation where people just would not consider sitting down talking with the result that everything is in ruins and nobody has gained from it. In South Africa, Mandela and others who at one time were very active and rigid in some of their views over the apartheid problem became very flexible over the years and decided in the end that negotiation was the only way.

[THE NATION] **How do you see your role in the next step of the political solution in this country?**

[Suu Kyi] Now I feel that my role is once more to unite the democratic forces and to revive those parts of our movement which have been intimidated in the last six years.

[THE NATION] **Will you demand the release of political prisoners as a condition?**

[Suu Kyi] We have urged in my first statement the authorities to release political prisoners as soon as possible. But we are not starting out with conditions. We are starting with a clear objective of getting people to sit around the table so we can start talking about conditions.

[THE NATION] **Is that happening?**

[Suu Kyi] No. As you can see at the table we are sitting around like this one, it's just you and me.

[THE NATION] **Are there signs that they are willing to talk?**

[Suu Kyi] I am not able to say whether they are unwilling or willing. Let me say that at the moment the positions seem very neutral. I have not seen overt signs of unwillingness nor willingness. But it is still a little too early in the day.

[THE NATION] **Is there any open line of communication at the moment?**

[Suu Kyi] There is a line of communication. I have kept my military intelligence personnel at the gate. So I am not out of touch with the authorities.

[THE NATION] **You have told your supporters not to expect too much too quickly. What are their expectations now?**

[Suu Kyi] I think they understand what I mean. One of the saddest things about Burma is that a lot of my supporters do not trust the authorities. There is a climate of suspicion in Burma. Everybody is afraid that somebody else is an informer. To build up a climate of trust is going to be one of the most difficult jobs. And the people understand perfectly well when I say don't raise your expectations too high, don't be in such a hurry. A lot of them, in fact, have told me to be careful because they can't really believe that I have been released.

[THE NATION] **If your supporters can't trust the authorities do you trust the authorities?**

[Suu Kyi] They will have to show that they are trustworthy. We would need indications of their trustworthiness before we can trust them. It's a mutual process.

[THE NATION] **Do they trust you?**

[Suu Kyi] You must ask them the question. I would like to know the answer too. They have dealt with me for six years and they know a lot about me. I would be grateful if you ask them: Do you trust her?

[THE NATION] **You have surprised a lot of people by saying that you have no ill feelings or resentments toward your former captors.**

[Suu Kyi] **Has that come as a surprise? Most of our people who have lived under far worse conditions than I in In Sein jail and other jails have no ill feelings either. It's fortunate that my colleagues are all very fine and honourable people and they always look forward to the future and not the past. And because they are so strong in themselves and so committed, they have been able to bear all the troubles of the last six years and yet have no sediment of ill will.**

New Mon State Party Welcomes Suu Kyi Release

BK0208111395 (Internet) BurmaNet News in English 2 Aug 95

[Statement by "the Central Committee, the New Mon State Party General Headquarters" on release of Aung San Suu Kyi, dated 23 July 1995]

[FBIS Transcribed Text] Daw Aung San Suu Kyi was detained under house arrest by the State Law and Order Restoration Council (SLORC) since 20th July 1989 and was released unconditionally on the 10th July 1995.

The New Mon State Party (NMSP) welcomes her release with profound gladness and deeply deems it to be a process of promotion to countrywide peace.

The atmosphere would be much better if all other incarcerated political prisoners still under detention are sooner released.

The responsibility of solving the problems of peace and development lies on all the political parties. The best method of settling the differences over them is by sincere compromise. The SLORC has already negotiated a cease-fire with 15 ethnic nationalities and has met with

Daw Aung San Suu Kyi twice already. After analyzing the dramatically changing situation in our country, bearing in mind the future prosperity of our country the SLORC, the ethnic peoples and the democratic opposition could come into an amicable reconciliation, the NMSP firmly believes that genuine peace could be attained.

Therefore, looking forward to such an end, the NMSP believing urge all the political forces to exert their utmost endeavors. Internal peace must be attained.

Brunei, Malaysia & Singapore

Brunei

Bolkiah Holds Talks With Japanese Counterpart

BK3107142995 Bandar Seri Begawan RTB Sukmaindera Television in English 1300 GMT 31 Jul 95

[FBIS Transcribed Text] His Royal Highness Prince Mohamed Bolkiah, the minister of foreign affairs, today received His Excellency Yohei Kono, the Japanese deputy prime minister and minister of foreign affairs, at Bukit Kayangan Balai Penghadapan [Audience Hall]. The two ministers discussed bilateral issues and a number of current international matters of concern to the Pacific region.

His Royal Highness also briefed his Japanese counterpart on progress at the ASEAN Ministerial Meeting, which Brunei Darussalam is currently hosting. His Excellency is representing Japan at the meeting.

Malaysia

Official Previews Agenda for Christopher Visit

BK0108133095 Hong Kong AFP in English 1205 GMT 1 Aug 95

[FBIS Transcribed Text] Kuala Lumpur, Aug 1 (AFP) — Malaysia is to press the United States to act more decisively to support the lifting of the arms embargo on Bosnia when Secretary of State Warren Christopher visits Kuala Lumpur this week, a top foreign official said Tuesday.

"We will get the United States to play a stronger role and show more decisive action in Bosnia," Ahmad Kamil Jaafar, secretary-general of Malaysia's foreign ministry, said.

Bosnia will be among the "burning international issues" that will top the agenda of talks between Prime Minister Mahathir Mohamed and Christopher during his first-ever visit to Malaysia, Kamil said.

Christopher is due to fly in Thursday for an overnight stop from Brunei, where he is holding talks with ASEAN foreign ministers, as part of an historic Asian swing that will also take him to Cambodia and Vietnam.

He has a tight schedule that includes a luncheon meeting with key American investors operating in Malaysia before meeting separately with Deputy Prime Minister Anwar Ibrahim and Prime Minister Mahathir Mohamed, officials said.

Malaysia, which has condemned the recent seizure of the UN safe havens of Srebrenica and Zepa by Bosnian Serb forces, wants a firmer commitment by the United States and its allies to protect the safe areas.

"If these forces are there to protect themselves, they don't have any business to be in Bosnia," Kamil said, adding that by "just sitting and watching the hundreds of Bosnians being slaughtered would make us accomplices to the genocide."

Christopher and Mahathir are also expected to discuss regional and bilateral trade and investment issues as well as security concerns in the region that will include tensions over the Spratly islands in the South China Sea.

The Spratlys are a reputedly oil-rich South China Sea archipelago claimed in whole or in part by China, Taiwan and ASEAN members Brunei, Malaysia, the Philippines and Vietnam.

ASEAN, whose other members are Singapore, Thailand and newcomer Vietnam, is the first group of countries to endorse Bosnia's right to receive military aid even if the UN 1991 arms embargo was not lifted, Kamil said.

Malaysia and the United States are to sign an extradition treaty during Christopher's visit.

"Several memoranda of understanding and private sector business accords are expected to be sealed by individual parties, including one between Petronas, the national oil corporation and US-based Occidental," Kamil said.

Mahathir Urges U.S. To Review Bosnia Policy

BK0108140095 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 1 Aug 95

[Passage in italics published in English]

[FBIS Translated Excerpt] Malaysia hopes that the United States will review its policy on Bosnia. Prime Minister Datuk Sri Dr. Mahathir said this in Oshkosh, Wisconsin.

[Begin recording] [Unidentified correspondent] The United States will review its policy on Bosnia. Dr. Mahathir Mohamed said in Oshkosh today that:

[Mahathir] *I think they are worried about being too involved and not being able to exit themselves once they* *get involved. We do hope that America would revise its views about them being involved in Bosnia.*

[Correspondent] The U.S. Congress is scheduled to vote on the Bosnian arms embargo tomorrow. On the visit to Malaysia by U.S. Secretary of State Warren Christopher on Thursday:

[Mahathir] *We are interested in trade; trade between the U.S. in particular, U.S. policies on imports.*

[Correspondent] The prime minister said he will discuss the issue of the generalized system of preferences, GSP, with Christopher:

[Mahathir] *I think we should be given special treatment forever.* [passage omitted] [end recording]

Government To Follow OIC Decision on Bosnia

BK0108135795 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 1 Aug 95

[FBIS Translated Text] Defense Minister Datuk Syed Hamid Jaafar Albar has said that Malaysia will act in accordance with the decision made by the Organization of Islamic countries, OIC in efforts to help resolve the Bosnian crisis.

[Begin Syed Hamid recording] We will abide by the OIC decision on the strategy, measures, and the best way to face the current situation in Bosnia. Of course, one of the topics discussed at the recent OIC meeting was on arms. But this was not the main topic discussed at the meeting. [end recording]

[Hong Kong AFP in English at 1210 GMT on 1 Aug, in a Kuala Lumpur dateline report adds: "Malaysia, which last month threatened to sell arms to Bosnia, insisted Tuesday it was only planning to beef up its troops in case of a UN withdrawal, but would 'consider and weigh' Bosnian requests for weapons.

"'We are not an arms supplier,' said Defence Minister Syed Hamid Albar in a direct contradiction to Prime Minister Mahathir Mohamad's statement a week ago that Malaysia was willing to sell arms to Bosnia.

"Mahathir had said Malaysia would brave economic sanctions from Western countries to help the Bosnians defend themselves in the 40-month-old Balkans conflict.

"The offer was prompted by a declaration by the Organisation of Islamic Conference (OIC) during an emergency meeting in Geneva that the international arms embargo on Bosnia was invalid.

"The OIC contact group — which comprises Bosnia-Hercegovina, Egypt, Iran, Malaysia, Morocco, Pakistan, Saudi Arabia, Senegal and Turkey — are expected to hold a follow-up meeting soon to map out an action plan on Bosnia, officials said.

"Ahmad Kamil Jaafar, secretary-general to Malaysia's foreign ministry, said Tuesday that Malaysia was waiting for Morocco to suggest a date for the meeting but denied that Malaysia was backtracking on its offer to sell arms to Bosnia.

"'We are still willing to offer arms to Bosnia's government forces, but there has so far been no request for arms,' he said.

"Syed Hamid told a news conference that Malaysia was only discussing contingency plans for a UN withdrawal through a joint- committee of the country's defence and foreign ministries.

"'There must be an increase in mobility and an increase in firepower' for Malaysian troops if the UN withdrew, he said, but added that Malaysia would only act in tandem with the OIC."

Regional Security Cooperation Requirements Viewed

BK0208034095 Kuala Lumpur Voice of Malaysia in English 0810 GMT 1 Aug 95

[Station commentary]

[FBIS Transcribed Text] Any kind of security cooperation in the Asia-Pacific region must be seen to benefit all countries in every situation. Towards this end, countries in the region must perceive that they have a common direction and mutual benefit in having such cooperation.

Speaking at an international symposium on opportunities and challenges for security cooperation in the Asia-Pacific region in Honolulu, Hawaii, recently, Defense Minister Datuk Syed Hamid Albar said the condition is one of four fundamental principles that should be taken into account to ensure the success of such security cooperation. Secondly, such cooperation must meet the national aspirations and suit their strategic realities underscoring the political, economic, and cultural dynamism that prevails in the region.

On the question of arms control, inadequately protected states must not be denied from exercising their right to develop and enhance their military capability as Article 51 of the United Nations, UN, Charter purely gave them the right of self-defense. Nevertheless, we should — together in the cooperative spirit, using the right political and security framework — check ourselves from going beyond reasonable limit. In the same light, it is also fair and timely that we call upon states which are excessively armed to reduce their military arsenal. Such efforts need to be taken, as there is still room for much disarmament without prejudicing their national or global security interest.

Apart from that there is a need for all nations to recognize the importance of being able to be self-reliant in terms of regional peace and stability. In this context, the situation in Bosnia-Herzegovina should serve as a good lesson for all. This is because in the final analysis one has to rely on oneself to defend one's country. External assistance will only be forthcoming where it serves the economic interests of powerful nations.

Towards this end, Malaysia holds the view that security cooperation has several benefits. It will go a long way towards breaking down barriers of mistrust and misunderstanding, and as such future efforts should be aimed toward enhancing transparency and contributes building. In addition, it would also facilitate transfer and access to new and sophisticated technologies since growth in defense will not be not be within the control of the major powers. What needs to be established is the form and mechanism to strengthen the foundation for regional peace and security. As such, there is a need to move away from formal and tied security alliances arrangement practiced during the Cold War era towards a looser framework.

It was in this spirit that ASEAN mooted the idea of the ASEAN Regional Forum, ARF, which is a testimony of its aspire towards enhancing security cooperation through the constructive dialogue process. However, it must be remembered that great reliance must be placed on bilateral arrangement and it must remain the mainstay of the regional security format, as multilateral mechanism has yet to be fully developed.

High-Technology Electronic Projects Urged

95SE0166B Kuala Lumpur BERITA HARIAN in Malay 21 Jun 95 p 1

[FBIS Translated Text] The government has given special incentives to three high-technology projects involving investments of 803.6 million ringgit in this country's electronics sector.

Among the incentives are full tax exemption for five years and the freedom to bring in foreign experts and trained workers to work in the Malaysian operations of the companies involved.

Minister of International Trade and Industry Datuk Seri Rafidah Aziz said that two of these projects involve the production of micro controls and high-capacity disk drives.

"In the next two years, investments in the electronics sector are expected to be capital-intensive," she said yesterday in a policy speech and dialogue at the 1995 Malaysian Electronics Trade Summit Meeting in Kuala Lumpur.

Rafidah said that in 1993 the government approved four high-technology projects with investments of 233.8 million ringgit, and last year the number of projects rose to six, involving investments of 434.2 million ringgit.

"In the first four months of this year, two high-technology projects worth 156.8 million ringgit were approved. They are worth about 50 million ringgit and 150 million ringgit, respectively," she said.

Rafidah said that the trend toward increased capital-intensive investment in this country shows that the Malaysian electronics industry is moving from low technology and labor-intensiveness to high technology.

In connection with this, she said that industrial planners and operators need to change their ways of thinking and doing so that they will be more proactive toward the new environment, specially in the high-technology sector.

"Everyone needs to be ready to make sudden changes in handling the needs of high-technology industries, including, if necessary, departing from customary procedures by bringing in scientists, for whom the Immigration Department needs to relax entry requirements," she said.

Answering questions during a 20-minute dialogue with summit meeting participants, Rafidah said that Malaysian-made electronic products are not very well known overseas, because Malaysia has not determined which products produced in this country are classified as Malaysian-made.

She said the weakness of Malaysian companies is that they are stingy in spending money on promotion and on providing information about themselves in quality brochures.

"Most brochures carried by trade delegations are unconvincing, whereas the products are of quality and have potential for sales," she said.

Singapore

Jayakumar, Philippines' Siazon Discuss Ties

BK0108103095 Singapore Radio Corporation of Singapore in English 1300 GMT 31 Jul 95

[FBIS Transcribed Text] Foreign Minister Professor S. Jayakumar and Philippine Foreign Secretary Domingo Siazon had held talks in Brunei on how both countries can proceed with the process of normalizing relations.

Prof. Jayakumar said they agreed there were very important self-interest and fundamental underpinning bilateral relations. These include economic, trade, investment, political and security interests and the need to cooperate closely in ASEAN. Both ministers agreed these are interests that both countries should pursue.

The question of foreign workers was also raised. Mr. Siazon asked whether the Philippines could discuss welfare protection of Filipino foreign workers in Singapore.

Prof. Jayakumar replied Singapore had always been prepared to discuss with any country questions of treatment of their foreign workers in the republic.

Cambodia

Significance of ASEAN Membership Examined

BK0108123395 Phnom Penh PHNOM PENH POST in English 28 Jul-10 Aug 95 pp 1, 16

[Report by Matthew Grainger]

[FBIS Transcribed Text] Cambodia today in Brunei becomes an official observer to one of the world's fastest growing and powerful regional blocs, the Association of South East Asian Nations (ASEAN).

To most, it's Cambodia's "window to the world".

Cambodian Institute for Cooperation and Peace executive director Kau Kimhuon said this first step toward full ASEAN membership "will forever change the course of Cambodian foreign policy."

Others say its like thinking about jumping onto a speeding train. Foreign Relations committee chairman Om Rasadi is wary of not rushing to "join an exclusive golf club not really yet knowing how to play the game."

In the same ceremony in Brunei, Vietnam becomes the seventh ASEAN member and the first "new kid" since the meeting's host joined in 1984.

ASEAN's other members — "tigers" that Rasadi and others say Cambodia must cautiously emulate and join so as not to be isolated — are Thailand, Indonesia, Malaysia, the Philippines and Singapore.

ASEAN's vision of an "ASEAN 10", incorporating every South East Asian nation, will be complete with the eventual signatures of Cambodia, Laos and Myanmar.

Recent statements by key Cambodian leaders indicate their country is looking to the ASEAN "family" for special help.

First Prime Minister Prince Norodom Ranariddh, in a speech on June 27, said that being part of ASEAN would give Cambodia "...a confidence of security... because, as I understand it, family members would help each other, particularly in time of need."

Foreign Minister Ing Huot had earlier said that Cambodia could join more quickly as full members if other ASEAN countries gave "preferential terms of trade."

There is no specific agenda for Cambodia to join as a full member. Political leaders in Phnom Penh say membership is inevitable, but at some indeterminate time in the future.

Cambodia's observer status is free; full membership costs $2 million in the first year and $1 million each year thereafter and that's a problem for the Royal government.

"But even more difficult is the fact that we have to train people to attend (ASEAN) meetings, and contribute to dialogue and decisions," Rasadi said.

ASEAN has around 300 meetings annually, and Cambodia must pay for its own observers — proficient in English — to go to as many as they can afford.

Four ministry officials are now training in ASEAN issues in Malaysia. Fifteen more from six ministries will begin training in Malaysia next month, according to Huot. Singapore and Canada have also offered help to train Cambodian ASEAN officials.

Rasadi said: "We have to organize accommodation and conference places for ASEAN meetings when we are members."

"We are only now training Ministry of Foreign Affairs officials, and ourselves as MPs... our Parliament has still not established all the laws, or seen that the laws we have adopted are good or well implemented," he said.

"We need to be strong and ready ourselves first (before joining ASEAN)."

Ing Huot, in a speech on June 19, said: "As we learn more of ASEAN's procedures and the heavy concentration of meetings every year, we become increasingly aware that we are going to have to engage in a considerable amount of training of our officials."

As full members, each country must be committed to opening their markets to ASEAN products and lower tariffs by 2003 under the ASEAN Free Trade Area (AFTA).

Dr. Sorpong Peou of the Canada-ASEAN Center in Singapore said in a speech on June 26 that Cambodia's low level of industrialization could make it difficult for it to become competitive "and enjoy mutual economic benefits under AFTA."

Peou said Cambodia might find ASEAN membership a burden rather than a relief in the short term.

However, he said, Cambodia would lose out in the longer term if it continued to depend on one particular great power (China or the United States) without the shield of a regional organization.

Huot said that Cambodia was looking forward to joining ASEAN as a full member but understood the need for "a considerable number of adjustments" before it could join AFTA.

However, he said, the Cambodian government was prepared to make the effort.

"I also believe that the integration of Cambodia into ASEAN could be significantly facilitated if ASEAN could consider providing Cambodia preferential treatment in terms of trade," Huot said.

Prince Ranariddh said that while Cambodia's entry to ASEAN was vital, observer status was important as a "means (of) learning, studying and research(ing)."

"I must, however, caution that we must understand ourselves first before we rush to do anything, because the process is irreversible," Prince Ranariddh said.

"Yes, we have a stake, a desire and an interest in ASEAN. It is in the observership that we must learn all the rules and nature of the game."

Commentary Views Prospect of ASEAN Membership

BK0208103895 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 1 Aug 95

[Commentary: "Increasingly Coming Out of Isolation"]

[FBIS Translated Text] On 28 July at the 28th conference of the Association of Southeast Asian Nations, ASEAN in short, held in the city of Banda Seri Begawan in Brunei, the Kingdom of Cambodia was granted the status of official observer by the conference. This status would lead Cambodia to being a full-fledged member in the future.

It is to be specified that on the same day Vietnam became a full-fledged ASEAN member after receiving the observer status last year. H.E. Ing Huot, Cambodian foreign minister, attended this regional conference. He said that we are happy with the official observer status only six months after submitting the request. He further said that there is no limit on becoming a full-fledged member. The shortest time is one year and the longest time two years. Apart from this, he outlined Cambodia's intention, saying that Phnom Penh will soon forward a message seeking membership in the Asia Pacific Economic Cooperation regional forum, or APEC.

According to diplomatic sources, the decision on this matter has been accepted. Cambodia will forward this message so that it may attend the APEC meeting in November in Osaka. Observers in Southeast Asia have said that within ASEAN Cambodia will seek assistance on development projects as well as with its goal of a market economy.

So far Cambodia has already made a great contribution to ASEAN for peace and stability in the region through the Paris peace agreement in 1991. It should be recalled that ASEAN spent a lot of time discussing the Cambodian problem and made efforts to achieve a solution. The problem has been resolved. This is a great contribution to ASEAN, enabling the latter to have time to consider economic development and cooperation. Analysts have pointed out that there are seven Southeast Asian countries at this 28th conference and that by 2000 at the latest, the number of members will rise to 10, enough for a region comprising 10 Southeast Asian nations.

Although Cambodia has not yet become a full-fledged member, as an observer it can discuss its problems with neighboring countries. This includes problems with countries other than ASEAN members.

In an interview with the BUSINESS TIMES, Prince Krompreah [First Prime Minister Norodom Ranariddh] said that we want to join ASEAN but we are not in a rush. We have to do more work to fill the economic gap between us and other members.

Commentary Urges Government To Accept Criticism

BK0208021795 Phnom Penh PHNOM PENH POST in English 28 Jul-10 Aug 95 p 7

[Commentary by Dr. Lav Mong-hay, executive director of the Khmer Institute of Democracy: "Accept Criticism for the Sake of Democracy"]

[FBIS Transcribed Text] On 22 June 1995 the National Assembly expelled one of its members, Sam Rangsi. That expulsion has attracted many criticisms especially from the West on the grounds that it is illegal and violates the right to the freedom of speech that Sam Rangsi had been exercising to mount attacks on the Government for its wrongdoings, attacks which had led to his expulsion from FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] and later from the National Assembly. These criticisms of the expulsion have in turn received rebuffs, at times very sharp, from Cambodian leaders.

Perhaps for the first time since they came to power after the UNTAC [UN Transitional Authority in Cambodia]-organized elections, these leaders have felt so confident that they have stood up against external criticisms of their treatment of Cambodian citizens. They have proudly asserted that Cambodia is a sovereign state; that the expulsion of that member of the National Assembly is an internal affair; and, invoking one of the sacred principles of international law, that no country has the right to interfere in the internal affairs of sovereign Cambodia and voice such criticisms.

The Cambodian leaders' assertion of self-confidence and their rebuffs could signal yet another turning point in Cambodia's tragic history. We have heard such rebuffs before from Cambodian leaders, and from despotic leaders of other countries. Invariably such rebuffs are delivered in response to invariably the same issue of violations of human rights.

The Khmer Rouge leaders gave savage rebuffs to the British Government when it raised the issue of violations of human rights by their regime at the United Nations Commission on Human Rights in Geneva in March 1978. Those Khmer Rouge leaders invoked the same international principle of non-interference in internal affairs of sovereign states. Because of this principle, countries around the world shied away from interfering in then Democratic Kampuchea's internal affairs and could do nothing to save the Cambodian people from what has later been described as "the killing fields".

In order to avoid interfering in the internal affairs of any specific country, we simply say that we have heard dictators of other countries, near and far, invoke the same international principle of non-interference in internal affairs of sovereign states to rebuff criticisms of their ill-treatment of their own people.

However, as far as Cambodia is concerned, rebuffs of criticisms could have far reaching consequences on the nation's destiny. In the first place, criticisms of the expulsion of that member of the National Assembly, like criticisms over other issues of democracy and human rights in Cambodia, should not be regarded as unfriendly. They are simply the legitimate concerns of its citizens that have now been accepted as "the subject of the legitimate concern of all mankind" (Paul Sieghart, The International Law of Human Rights. Oxford: Clarendon Press, 1995).

The same concern is all the more legitimate if they come from state-signatories to the Paris Peace Agreements of 23 October 1991. In the preamble of the "Agreement on a Comprehensive Political Settlement of the Cambodia Conflict", all signatories including the Cambodian parties themselves have recognized that "Cambodia's recent tragic history requires special measures to assure protection of human rights, and the non-return to the policies and practices of the past." In this Agreement the Cambodian parties have committed themselves, inter alia, to observing and respecting human rights and fundamental freedoms; to supporting the right of all Cambodian citizens to undertake activities which would promote and protect these rights and freedom; and to taking "effective measures to ensure that the policies and practices of the past shall never be allowed to return" (Part III. Human Rights; Art. 15; para. 2 (a)). For their part, the other signatories have undertaken to promote and encourage respect for and observance of human rights and fundamental freedoms in Cambodia, "in order, in particular, to prevent the recurrence of human rights abuses" (Part III. Human Rights; Art 15; para. 2 (b)).

These undertakings by both the Cambodian parties and the other signatories are repeated in the "Agreement Concerning the Sovereignty, Independence, Territorial Integrity and Inviolability, Neutrality and National Unity of Cambodia" (Art. 3; para. 2). On top of that, under the terms of the two Agreements above, the United Nations Commission on Human Rights "should continue to monitor closely the human rights situation in Cambodia." ("Agreement on a Comprehensive Settlement..."; Art. 17; "Agreement Concerning the Sovereignty..."; Art. 3; para. 3).

It should be added that all signatories including the Cambodian parties have agreed that Cambodia will follow a "system of liberal democracy, on the basis of pluralism." ("Agreement on a Comprehensive Political Settlement..."; Annex 5; para. 4).

Under the terms of these Agreements, state-signatories are doing no more than simply honoring their obligations when they express concern over the Cambodian Government's failure to honor its obligations as clearly stipulated in the Agreements above. The expression of this concern is their duty, and their right too. Cambodian leaders who rebuff such concern can be seen not simply as acting in an unfriendly manner towards those countries but also as unraveling the Paris Peace Agreements. And one of these Agreements guarantees the sovereignty, independence, territorial integrity and national unity of Cambodia, in short, the very survival itself of the Cambodian nation. Furthermore, such rebuffs do not contribute to good relations between Cambodia and the very countries in the West that had invested so much in the restoration of peace in Cambodia. If Cambodia turned its back on them, it would be the one who would suffer. They could turn their back on it and wash their hands over its fate for good. And the Cambodian nation simply cannot afford to, and should not, get itself isolated yet again from those western countries.

Over the issue of democracy and human rights, let's welcome all concern and criticisms, and thank all their authors. They are rightful and legitimate, and they are from friends who help guarantee our survival.

We rebuff such concern and criticisms at our own peril.

Ieng Muli Endorses Press Law; Others Comment

BK0208034195 Phnom Penh PHNOM PENH POST in English 28 Jul-10 Aug 95 p 15

[Report by Ker Munthit]

[FBIS Transcribed Text] Information Minister Ieng Muli says the press law is clear and responds to the country's reality.

Muli said he hoped that once the law is promulgated journalists would be more interested in taking their responsibilities by providing people with fair reporting and they will know what they can and cannot report.

Muli said that journalists would not be jailed for expressing opinions.

Speaking at the International Federation of Journalists conference on July 25 — and in a separate statement to the Post — he said that the most serious matter was Article 12 which deals with the contentious — and in the law, undefined — phrases "national security" and "political stability."

"The national security is a very serious business. I don't think that just criticizing the government or a minister can affect national security," he said.

He said that national security could be affected only if there was a serious situation that could bring down the government illegally or create a situation where Cambodia was at war with another country. Threats to national security could also be any newspaper article which defeated military or police operations.

The minister said that the law could be amended at any time, "but we have to experience this law first. You cannot say it is bad before you implement the law."

"We cannot use the article to close down or confiscate any newspaper because it criticizes the government.

"The law allows for free publication for all truthful information. We can punish only if there is something false which can affect the honor and dignity of a person."

Muli said his ministry and the Ministry of Interior must act in cooperation in any action against newspapers.

"We cannot close a newspaper without a reason and without the decision of the court.

"So that is the rule of law," he said.

Muli's definitions of the contentious phrases are similar to those urged by some MPs to be included in the law, during a Parliamentary debate on July 18. However, moves to have the definitions enshrined in law were soundly defeated during that session.

Critics said the government was exercising "legislative power" by blocking attempts to have the phrases defined in law. They said that the law remained tremendously vague and left the government with much opportunity to abuse its power. As a result, they said, the law could be enforced at the government's will to throw more journalists in jail.

"The whole law is meaningless. This is a license to people who implement the law to abuse the law," one observer said, adding that defining those terms outside the law was a violation of the constitution.

"Public institutions can virtually define anything as a violation of political stability and national security. There is no control over that," he added. He and other observers said that the definitions should have been legalized as the sub-decree can be revoked or changed.

KJA [Khmer Journalists Association] advisor Mike Fowler said "It's certainly better than having no definition at all. It would be a better law if they had taken out political stability. Political stability is a term that you really can't define. How are you going to define that?" he added.

Fowler said he hoped that the government was genuinely dedicated to having a free press and enforcing the law fairly to allow dissent and free speech. However, he added, the way the law was written also raised the possibility that it will be implemented to suppress criticism.

"As long as you can interpret it (the law) almost any way, it can be applied arbitrarily. Very bad journalism done by political allies could go unpunished, but legitimate criticism from opponents could be punished. It certainly could be under this law," he said.

Loy Simchheang, Assembly vice-chairman, said Premiers Prince Norodom Ranariddh and Hun Sen would sign a Royal code accepting the adopted press law. He said that the code would be forwarded to Chea Sim, acting Head of State, for his final signature.

LCJ [League of Cambodian Journalists] President Chum Kanal said "I'm very concerned about our journalists under this law which is very restrictive. We will talk with the government to ease toughness."

KJA President Pin Samkhon said he was not satisfied with the passage of the press law, which left national security and political stability undefined.

"We will ask foreign countries to build a good jail with an air-conditioner for journalists," he said.

NADK Rebukes Phnom Penh for Accusing Thailand

BK0108153995 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 31 Jul 95

[Clarification by the National Army of Democratic Kampuchea; date and place not given — read by announcer]

[FBIS Translated Text] Here is a clarification by the National Army of Democratic Kampuchea [NADK] concerning the two-heads — whenever they suffered defeats, they would cry out loudly while condemning and hurling accusations against others.

1. The two-heads, alliance, and communist Vietnam planned to reopen Route 5, which has been cut off completely since 14 June. But they failed. At the same time, the central market at Poipet has been repeatedly attacked by the NADK and remained quiet. The other positions of the two-heads near Poipet, at Nimit, and along Stoeng Kop River have been attacked, smashed, and basically swept away.

2. Judging from the above situation, the two-heads have been cut off from Route 5 for nearly two months, thus their transportation has been disrupted. This has plunged the two-heads into grave agony. This is because, according to statistics, they need to transport 400 tons of supply through Route 5 each day — 24 hours. Now that Route 5 has been cut off for two months, they must have failed to transport thousands of tons of supplies through this route.

3. Facing such an agonizing situation, the two-heads invaded Thai soil on three occasions. Each time, they sent 200 to 300 troops together with artillery and guns of all calibers and many tanks and armored personnel carriers to move along the areas from Nong Ian, (Phlov Kraham), and Khlong Namsai to Khao Noy in an attempt to attack the people and NADK from the rear.

This is a violation of the neighboring country's sovereignty in a most arrogant and vicious manner.

Concerning this matter, the two-heads, the foreigners and alliance boss of the two-heads, communist Vietnamese, and Tie Banh have all clamored about their capturing Khla Ngoap. But the commanders on the Route 5-Poipet battlefield have denied ever entering Khla Ngoap. British radio, the BBC, also reported that the two-headed army has never entered Khla Ngoap.

4. The NADK and people have kept sweeping the enemy along Route 5, Stoeng Kop river bank, and so forth. The two-headed forces have been routed and forced to flee in disarray. The 12th, 7th, and 8th Divisions have all been routed. As for those in the 3d Division, they fled back in disarray as soon as they arrived in this area. The 3d Division announced that 140 out of the 200 troops sent to this area were killed. The remaining 60 fled back.

It is in this situation that the two-heads have cried so loudly and accused the Thai people and Thai Armed Forces of helping the Khmer Rouge. The foreign press and alliance — master of the two-heads — have also echoed this accusation.

This is another trick of a thief crying stop thief. That is, whenever they are defeated, they would accuse this and that persons of helping the Cambodian people and the resistance forces. This is a pretext that they have resorted to for ages.

The Cambodian nation and people have already told them to stop fighting and to turn toward seeking peace and national reconciliation so the entire Cambodian nation and people can enjoy a peaceful life. But the two-heads refused to listen to us because they are the out-and-out lackeys of the communist Vietnamese and have been serving the communist Vietnamese strategies and that of the alliance to maintain war in Cambodia so they can continue interfering in Cambodia's internal affairs.

The NADK has also stressed that whenever they were defeated in the past, the two-heads always loudly condemned Thailand as being the cause. Now that they have suffered defeats, they are condemning Thailand. In the future, whenever they are defeated by NADK, they will certainly condemn Thailand again. However, the two-heads have never uttered a word about the Vietnamese. They have allowed over 4 million Vietnamese to stay everywhere, even in front of the palace and the National Assembly. Even though these Vietnamese trample on their heads or pee on their heads, the two-heads will keep their mouth shut.

Communist Vietnam is a war monster and the root cause of war. It is carrying on the war and sending Vietnamese nationals to swallow up Cambodia, kill the Cambodian people, and exterminate the Cambodian race.

The Royal Government of Thailand has always wanted Cambodia to achieve peace and national reconciliation so that, on the one hand, Cambodia will be peaceful and, on the other, the Thai people along the border can enjoy a peaceful life.

Indonesia

Alatas: Nation Unable To Supply Arms to Bosnia

BK0108111995 Jakarta ANTARA in Indonesian 0815 GMT 1 Aug 95

[FBIS Translated Text] Bandar Seri Begawan, 1 Aug (ANTARA) — Indonesia supports the Bosnian Government's right to receive arms, but will not provide them because Indonesia is not an arms-exporting country, said Foreign Minister Ali Alatas.

"We agree to the lifting of the arms embargo but as Indonesia is not an arms-exporting country, we will not be able to provide arms to them," he told reporters at the Assara House in Bandar Seri Begawan, Brunei Darussalam, on Tuesday, after having breakfast with Australian Foreign Minister Gareth Evans.

Commenting on Malaysia's plan to convene a meeting of countries grouped in the Organization of Islamic Conference [OIC] in New York aimed at discussing economic assistance and arms sales to Bosnia, Alatas reiterated Indonesia's commitment to support the OIC's stand.

"We support the OIC's stand to the effect that if the international community is unable to assist Bosnia, then that country is entitled to exercise its self-defense right," Alatas said. Alatas also referred to the OIC's stand which supports Article 51 of the UN charter, which gives legitimacy to the Bosnian Government to request and receive military assistance.

Therefore, in line with the OIC's stand, Indonesia supports the call for the lifting of the arms embargo and the need to provide arms to the Bosnian Government to defend itself from the increasingly frenzied Serbian attacks. "Whether Indonesia itself will provide assistance depends on its ability," Alatas said.

The ASEAN foreign ministers issued a statement on 28 July condemning the continued Serbian attacks against the UN safe havens in Bosnia-Herzegovina.

Minister Alatas and his ASEAN counterparts are in Brunei to attend the 28th ASEAN Ministerial Meeting on 29-30 July, the second ASEAN Regional Forum [ARF] on 1 August, and the Post Ministerial Meeting [PMC] on 2-3 August. Australian Foreign Minister Gareth Evans is scheduled to attend the ARF and PMC meetings only.

Minister 'Regrets' Flag Burning in Australia

BK0208112195 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 2 Aug 95

[FBIS Translated Text] The Indonesian Government deeply regrets protest demonstrations that took place in several cities in Australia recently, during which demonstrators burned Indonesian flags. Susilo Sudarman, coordinating minister for political and security affairs, said this to reporters before attending a cabinet meeting at the Bina Graha presidential office in Jakarta this morning. The minister said the flag-burning incident should not have happened because Indonesians never do such things:

[Begin recording] [Sudarman] Has an Australian flag been burned here? The flag-burning incident is very provocative. [Words indistinct] by the Australian Government and people. It might have been staged by people who dislike us.

[Unidentified correspondent] Do you think the incident will affect bilateral relations?

[Sudarman] I hope it will not affect bilateral ties. [end recording]

Alatas, Evans Discuss Envoy, Other Issues

BK0208022695 Jakarta ANTARA in Indonesian 0815 GMT 1 Aug 95

[Passages in italics received in English]

[FBIS Translated Text] Bandar Seri Begawan, 1 Aug (ANTARA) — Foreign Minister Ali Alatas and Australian Foreign Minister Gareth Evans agreed during their meeting in Bandar Seri Begawan, Brunei Darussalam on Tuesday to keep the post of ambassador of the Republic of Indonesia in Canberra vacant.

"In fact he (Evans) briefly touched on the subject. However, this does not mean that the post must be urgently filled. There has been a mutual understanding to keep the post temporarily vacant," he told reporters after a breakfast with Evans at Assaraa Guest House, Brunei on Tuesday.

When asked about how long the post will remain vacant, Alatas simply said the matter must be reconsidered and has not been rediscussed. "We have yet to restart the process," he said.

The Indonesian Government was forced to cancel the nomination of Mantiri as Indonesian ambassador to Australia in the wake of protests by some Australian citizens and parliamentarians.

The protests centered on Mantiri's statement on the 12 November 1991 Dili incident in a magazine that the action taken by security personnel against the demonstrators was "*quite proper.*"

Alatas told reporters that relations between the two governments have certainly been affected by the case.

"How can we say that Indonesian-Australian relations have been '*completely unaffected*?' However, its impact has not been fatal because our ties have developed and become stronger over the past several years," he said.

The case has not disastrously affected Indonesian-Australian relations because relations in several areas within the bilateral and regional fremwork have been growing.

Alatas did not deny the existence of a handful of anti-Indonesia people who want to see Indonesian-Australian relations damaged.

During the one-hour breakfast, Alatas also expressed his concern over the case of 18 East Timorese going to Australia on tourist visas, overstaying and then seeking permanent residence or refugee status there.

He told Evans that ties will be eventually harmed and the case will become a major problem for Australia itself if Australia fails to handle the case wisely.

He reminded Evans that Australia itself will lose if Australia sets a precedent by easily giving them refugee status or asylum in disregard of international laws and regulations.

"This means that Australia will raise the possibility of citizens of other countries entering Australia. They will think that it is in fact easy to obtain privileges," he told Evans.

According to Alatas, Evans said a decision on the case of the 18 East Timorese had not been made, but "*bridging visas*" have been extended to them pending a final decision on their status.

The visas do not, however, mean that they have been automatically accorded refugee status.

The ASEAN Issue

Alatas briefed Evans on various matters discussed during the ASEAN ministerial meeting.

Evans regarded Burma's application for accession into the Treaty of Amity and Cooperation as a problem.

"However, I stress that we should encourage the current positive developments. Don't forget that what is taking place in Burma is an internal matter! Thus, let us not move one step further in getting involved in their internal affairs," he told Evans.

Alatas also briefed Evans on the ASEAN-China consultative meeting.

Alatas attended the ASEAN ministerial meeting in Brunei from 29 to 30 July. The minister is attending ASEAN Regional Forum meeting on 1 August and will attend the post-ministerial conference from 2 to 3 August. Evans is here as a dialogue partner of ASEAN in the ARF meeting and the post-ministerial conference.

Philippines

Siazon, Qian Agree to Regular Spratlys Dialogue

BK0208110295 Manila BUSINESS WORLD in English 1 Aug 95 p 12

[Report by Paul N. Villegas]

[FBIS Transcribed Text] Bandar Seri Begawan — The Philippines and China have agreed to resolve their diplomatic rift over the Mischief Reef incident on a political level, Foreign Affairs Secretary Domingo Siazon said Sunday night.

"The issue must be resolved on a political level and in accordance with the 1992 Manila Declaration on the South China Sea... China's position opens the door to a possible political compromise," Mr. Siazon said following bilateral talks with Chinese Foreign Minister Qian Qichen here at the International Convention Center.

The two officials agreed to continue holding regular dialogues to address bilateral concerns such as the sovereignty issue on the South China Sea. Manila and Beijing are scheduled to hold talks from August 8 to 12 on a senior officials level to address the South China Sea question. A Foreign Affairs undersecretary will head the Philippine panel while the Chinese side will be headed by Foreign Affairs Assistant Minister Wang Yingfan.

"We are both confident that we will be able to carry on our dialogue process. In a spirit of amity and cooperation that anticipates the eventual resolution of our dispute and the deepening of the friendship of our two countries," Mr. Siazon said.

He said both he and Mr. Qian agreed to "maximize" all possibilities for cooperation in the area "even as we search for a definitive, long-term solution to the problem of overlapping claims."

Manila and Beijing figured in a diplomatic tussle last February when the Philippine air force spotted Chinese military structures and naval vessels in Mischief Reef, a Philippine-claimed portion located in the Kalayaan Group of Islands.

The disputed islands in the South China Sea are being claimed in whole and in part by Brunei, China, Malaysia, Taiwan, and Vietnam. Except for Brunei, all claimant countries have stationed military troops in the area. The contested area is believed to sit atop large reserves of oil and gas.

Meanwhile, the Association of Southeast Asian Nations (ASEAN) has welcomed China's "repeated assurances of its preparedness to settle whatever disputes they may be through peaceful negotiations," particularly through the principles of international law such as the United Nations Convention on the Law of the Sea (UNCLOS).

"We welcome China's preparedness, pending the solution of overlapping claims of sovereignty and jurisdiction in the South China Sea, to temporarily shelve these claims, and to develop mutually beneficial cooperative endeavors among the countries of the region," said Indonesian Foreign Minister Ali Alatas chairman of the ASEAN-China consultative meeting.

Although the ASEAN and China are sometimes not in full agreement on a number of political issues, Mr. Alatas believes that "considerable progress" has been made on the organization's political relations with Beijing. China has thrown its support for the establishment of the ASEAN Regional Forum, the Southeast Asian Nuclear Weapon Free Zone, the East Asia Economic Caucus, and the Asia-Pacific Economic Cooperation forum.

Mr. Alatas said the region is not free from tensions and the anxiety of potential conflict, which include territorial disputes and overlapping claims of sovereignty on the South China Sea.

"These potential conflicts, if not effectively managed, could lead to a situation which could undermine the stability of the region," Mr. Alatas said.

"It is now timely and appropriate for the ASEAN to endeavor, to design, establish, and maintain acceptable and feasible arrangements for cooperation and interaction among countries of the regional and the major powers," he said.

A joint communique of the 28th ASEAN Ministerial Meeting called on all claimant countries to refrain from taking actions that could destabilize the region. The communique also encouraged the claimants to address the issue in various bilateral and multilateral fora.

Chinese foreign ministry spokesman Shen Guofang told reporters that claimant countries to the Spratlys should avoid "complicating and expanding the sovereignty issue" on the contested islands.

"China's proposal to shelve disputes and pursue joint development endeavors is the most realistic and practical way for handling the Nansha dispute. The area of the South China Sea is a strategic part of navigation and aviation. China attaches great importance on the safety and free passage of lanes in the South China Sea," Mr. Shen said.

"There has never been any problem in this regard and we believe there won't be any in the future," he added.

The Chinese official pointed out that Beijing is ready to sit down with all the claimant countries and settle the dispute through the UNCLOS, which China has signed but has yet to ratify.

Thailand

Official Says IPR Crackdown Won Back GSP

BK0208101695 Bangkok BUSINESS DAY in English 2 Aug 95 p 3

[Report by Wisut Phothong]

[FBIS Transcribed Text] Thailand is sincere about improving legal protection for intellectual property and enforcement, Department of Intellectual Property Director-General Suchai Chaowisit said yesterday.

His comment was in response to President Clinton's approval of the restoration of the Generalized System of Preferences (GSP) for Thailand.

The president's decision was the result of Thailand's progress in both improving its legal protection for intellectual property and enforcement, he added.

During the past two years the department has received increasing cooperation in its work from state agencies, including the police and the courts. "Our intention to improve protection is sincere," he pledged.

The department has endeavoured to make parties realize the importance of intellectual property rights [IPR] by holding seminars. Department officials also have trained police in enforcement methods, and contacted members of the legal profession encouraging them to make fact-finding missions.

There has also been a public information campaign extolling the virtues of protection of intellectual property and training programs for inspectors.

According to statistics on suppression of intellectual property rights violation, offences under Copyright Act B.E. 2521 and Copyright Act B.E. 2537 saw the number of arrests in 1994 increasing to 527 with 123,652 items seized; compared with 336 arrests and 246,410 items seized the previous year.

Under the Trademark Act B.E. 2534, there were 631 arrests and 215,219 items seized in 1993, increasing to 770 in 1994.

Eight arrests with 906 items seized in the last two years and 16 arrests with 12,285 material seized in 1994 were in relation to the Patent Act B.E. 2535.

Under the Act Controlling Cassette Business and Television Devices B.E. 2530 there were 1,661 arrests with 615,374 items seized in 1993, increasing to 468 arrests with 75,558 items seized the previous year.

U.S. Urged To Restore Tariff Cuts on Tiles

BK0208100495 Bangkok BANGKOK POST in English 2 Aug 95 pp 17, 28

[Report by Somphon Thaphanachai, Peter Maytri Ungphakon and Chirathat Niwatphumin]

[FBIS Transcribed Text] Thailand wants the United States to restore trade privileges under the Generalised System of Preferences for imports of Thai ceramic tiles.

Tiles were the only product to miss out when the U.S. put back in place tariff cuts for 11 categories of Thai exports.

Oranut Osathanon, director-general of the Department of Foreign Trade, said yesterday that as ceramic tiles were among categories which lost their privileges in 1989, the U.S. should have included them when it restored the benefits for the others last week.

The U.S. scrapped the tariff perks when it accused Thailand of failing to provide adequate protection of intellectual property rights.

Heavy lobbying by the U.S. ceramic industry, seeking to protect its market, is blamed for the exclusion of tiles from the U.S. decision.

The restored privileges benefit Thailand's exports of four kinds of jewelry, four types of wooden furniture, three types of seats, dried beans, rice flour, rice meal and artificial flowers.

Deputy Prime Minister Amnuai Wirawan said the unconditional return of GSP privileges was positive and should substantially boost trade as import tariffs normally assessed on Thai exports to the U.S. would be cut to zero.

The GSP programme gives participating countries the ability to export to the U.S. certain products free of tariffs.

The programme is used to encourage industrialisation and economic growth in developing countries.

Mr Amnuai said the U.S. looked at Thailand as a country rapidly progressing, both economically and industrially.

Disputes in U.S.-Thai relations were tapering off, he said, adding he did not think the U.S. would raise labour rights or the environment as issues to revoke GSP status for other products, especially as Thailand was working to meet the U.S. concerns.

The establishment of the Ministry of Labour and Social Welfare was evidence of the Government's role in solving the problems, he said.

Mr Amnuai said the U.S.-Thai dispute over Universal Insurance Co, otherwise known as Phaisan Insurance, was not likely to be used by the U.S. as a reason to withdraw other GSP benefits.

Universal Insurance has been embroiled in a lengthy dispute with the Government over its request to open an additional 11 branches in the country. Under the Thai insurance law, companies cannot be under foreign ownership while Universal is more than 99 percent held in American hands.

Last Friday, U.S. President Bill Clinton signed an order restoring benefits for the 15 categories. The decision is attributed to Thailand's progress in protecting intellectual property rights following passage of the Copyright Law last March.

Thai exports of ceramic tiles to the U.S. in 1989 were worth about $7 million. However, following the withdrawal of GSP benefits, tariffs of 19 percent were applied with a subsequent sharp drop in total export value. Ceramic exports in 1992 were worth $3.2 million and only $700,000 last year.

Overall trade between the two countries was worth $15.2 billion last year, with Thailand having a surplus of $5.4 billion.

When the privileges were withdrawn, the Office of United States Trade Representative gave as reasons rampant pirating of computer software, music and video recordings, and the copying of brand-label goods such as watches and clothing. + Wirawit Wiraworawit, director of the Technical and Planning Division of the Department of Intellectual Property, said the return of GSP privileges was a gesture of "goodwill" by the U.S. and acknowledged Thailand's improved enforcement of intellectual property right protection.

For some Thai exports the restored tariff cuts are large — from 24.7 percent to zero in the case of small precious metal jewelry items, and from 17% to zero for artificial flowers.

For several others, the regular rates are already low, about 2 percent for furniture, for example. The two items on the list with the largest export volumes are two categories of precious metal ornaments. Together they accounted for $340 million, or about 72 percent of the $472 million earned from exports of all 15 items last year.

Duty on the two categories has been 6 percent. The Commerce Ministry estimated yesterday that duty exemption would represent a $6.3 million tax saving for high value precious metal ornaments, and $15.11 million for "other" precious metal ornaments. The total duty saving over all 15 categories would be $28.45 million, or about 712 million baht.

Figures distributed by the Thai Commerce Ministry yesterday show that several categories managed to increase their export value despite the loss of GSP perks.

Mrs Oranut said it was unclear whether GSP benefitted all Thai exports to the U.S.. She noted that for artificial flowers, exports to the U.S. were worth about $7.5 million in 1989, dropped to $2.6 million in 1991, but then grew steadily to $13 million for last year.

Despite the 24.7 percent duty, the value of small precious metal jewelry exports rose from $7.6 million in 1989 to $10.3 million last year. Exports of "other" metal jewelry nearly doubled over the period.

However, dried beans which in 1989 amounted to $2.7 million worth of exports to the U.S., were damaged considerably by removal of the privileges, with trade totalling only about $700,000 last year.

After the withdrawal of Thailand's privileges, U.S. orders shifted to producers in Indonesia, Malaysia, Sri Lanka, Italy and Mexico.

However, the U.S. decision to restore GSP privileges is a separate issue from that raised by the AFL-CIO, America's largest trade union, according to David Moran, economic counsellor for the U.S. Embassy.

The AFL-CIO has held that Thailand should be completely suspended from the entire GSP programme owing to inadequate protection of labour rights.

The union has argued specifically that the Thai State Enterprise Labour Relations Act must be amended to allow employees to associate and strike before Thailand is permitted to participate in the GSP programme.

On June 14, the AFL-CIO petitioned the USTR, arguing that "the fall of the Chuan government is the final step in the clear non- fulfillment of the public promise to reform the act to guarantee freedom of association for state enterprise workers."

Editorial Sees Importance of GSP Declining

BK0208100995 Bangkok BANGKOK POST in English 2 Aug 95 p 4

[Editorial: "Time Is Running out for GSP Concessions]

[FBIS Transcribed Text] Once again those three magic letters have hit the front pages: GSP. People not entirely engrossed in trade issues are prone to ask: Do the letters mean anything? It is a good question.

The lexicographic answer: Generalised Systems of Preferences are special import duty reductions on selected products granted by the rich countries of the world to the poor countries of the world. The objective is to help the poor start selling their wares to the rich.

Once a specified market share is achieved, or once the poor become richer, the preferences are withdrawn. That means the goods are charged regular duties instead of being allowed in dutyfree (or at a reduced duty rate).

The economic history answer: GSPs were an outcome of the 1970s campaign by developing countries for "trade not aid". The argument was that aid left the poor dependent on the rich. Helping the developing countries to expand their trade, on the other hand, would not.

GSPs were granted on a non-reciprocal basis. Eligibility was restricted to the really needy, and those granted the preferential treatment were not required to do anything in return. But industries in the richer countries that feared low-cost competition from imports increased demands to be protected. The U.S. government in particular, rechanneled the protectionism into an effort to persuade other countries to trade more fairly.

So conditions were attached to the GSP programme. The duty-free privileges could be withdrawn if countries were considered to be cheating by pirating goods that the U.S. considered should be protected by copyrights, patents or trademarks. Instead of protecting U.S. furniture makers, Washington gave an export boost to Microsoft, Walt Disney, CBS, Bristol-Myers.

U.S. lawmakers attached another condition to the programme. They said duty exemptions under the GSP programme should be withdrawn from any country violating labour rights — such as the right to form unions and the right to strike.

The political economy answer: This week's decision by the U.S. Trade Representative to restore GSP rights on 15 Thai products represents welcome recognition of this country's efforts to tighten copyright, trademark and patent protection.

It is also an indication of the future direction of one aspect of U.S. policy. Last year the U.S. government forged an unusual alliance with France in an effort to expand world trade rules to cover labour rights. This raised concerns among developing countries such as Thailand and the rest of ASEAN that concern for the welfare of Third World workers would merely be an excuse for even more protectionism.

This week's decision amounts to a return to Washington's traditional practice that amounts essentially to paying lip-service to the labour rights issue. On copyrights and patents, simply telling the U.S. government that reforms were underway was not enough. The U.S. Trade Representative was "results-oriented"; it would only view Thailand favourably if piracy was reduced.

On labour, the mildest reassurance that rights will be restored is enough to satisfy Washington. The right-wing revolution in Congress may have played a part in the return to tradition. In any case, the signs are that Washington will not be pursuing the trade- and-labour issue so strenuously in the future.

That does not mean we should drop our concern about labour rights. If children are being exploited and workers in general are deprived of basic rights, as many are in this country, then these ills must be corrected. But it would be wrong for the United States or anyone else to use trade measures to enforce their will, particularly if that will is protectionist.

At the same time, there is a negative aspect to the decision. As far as GSPs go, this is symbolic. The U.S. decision came when it did because of the timetable for renewing GSP rights. But the bilateral nature of the GSP conflict is part of the United States's increasing trend over recent months to resort to bilateral pressure rather than international institutions.

The continuing U.S. refusal to participate in the World Trade Organisation's [WTO] financial services deal is merely the latest in a series of acts showing American contempt for the WTO. The threat of sanctions against Japan were the most important. The risk is that internationally-agreed rules will lose credibility and the world trade system sink into chaos. Other developed countries with large financial services sectors were all willing to adopt the package, despite its faults.

The commercial answer: A detailed look at the products concerned and their regular import duty rates shows that the benefits of the programme are mixed. Only three items carry regular tariffs that make duty-free importing an important benefit — small precious metal ornaments, artificial flowers, and ceramic tiles.

Thailand's competitive advantage in small precious metal ornaments is so strong that significant growth has been achieved even with the 24.9 percent import duty. The artificial flower industry is pleased that it will regain its cut from the 17 percent tariff. But ceramic tiles, with their 19 percent duty, remain off the GSP list.

Most of the other items are charged regular duty of only 2 percent or so. This means that in many cases the paperwork needed for claiming duty-free rights might not be worth the trouble. In any case, the cuts in regular duty rates that are scheduled to take place under the WTO agreement will further reduce the importance of GSP concessions.

Although about 20 percent of Thai exports to the United States and Europe are eligible for GSP rights, this is a privilege that is unlikely to last much longer. Both the European Union and United States are signalling that as Thailand's economy grows, the country will soon "graduate" from the GSP programmes. Financial pressures and the Gingriches of the world could accelerate the end of GSPs for everyone.

Ratifying WTO Financial Services Pact in Doubt

BK3007101995 Bangkok THE NATION in English 29 Jul 95 p B1

[Report by Charuwan Loetwinyu]

[FBIS Transcribed Text] Thailand may not ratify the financial services trade liberalization interim pact if a World Trade Organization [WTO] majority backs down on earlier decisions to endorse it, a senior central bank official said.

Thirachai Phuwanatnaranupha, Bank of Thailand's director of Financial Institution Supervision and Development Department, expressed scepticism yesterday on whether all members who agreed to the accord on Wednesday would eventually ratify the pact.

"I'm not sure whether everybody will endorse the pact," he said, adding that eventual ratification could take place in either the next six, eight or even twelve months.

Nearly 100 WTO members, including Thailand, agreed on Wednesday to an interim accord on financial services liberalization. The interim agreement will make it easier for insurance and banking firms to go global and engage in cross-border business.

The US, however, decided not to participate in the interim agreement, reasoning that it is not yet satisfied with offers made by some WTO members. Its move to opt out might discourage other WTO members from participating in the deal.

Although a WTO majority agreed on the accord yesterday, each has to convince its national government and parliament to ratify the pact. Officials from each country will not have an easy job doing this.

Finance Minister Surakiat Sathianthai yesterday welcomed the news of the interim agreement.

"To have an interim agreement, in spite of the absence of the US, is better than having nothing," he said.

"From now on, the US should not ask any more from Thailand than we have offered in the international framework.

Otherwise, the US might be seen as having no respect for the WTO," he said.

Thirachai said that at a recent Geneva meeting, after the US walked out, the European Union encouraged the other WTO members to resume talks by maintaining their offers on financial services, despite the absence of the US.

Secondly, even though the US stuck to its position of granting concessions on a reciprocal basis, the EU asked WTO members to adhere to the Most-Favoured-Nation principle or offer equal access to all members.

He said since there was no voting session at the recent meeting in Geneva, none of the members registered opposition to the two proposals at the meeting. At that time, Sir Leon Brittan of the European Trade Commission, played an important role in salvaging the deal, which nearly collapsed after the US departure.

The agreement on financial services trade liberalization comes after Gatt has agreed to provide market access among members in 15 sectors in goods, services and intellectual property rights.

The WTO gave its members 18 more months after the Uruguay Round to come up with an agreement on services. The deadline was June 30, but this was later postponed until yesterday after the US walk-out.

While major economic powers such as the US are eager to gain access to other financial markets, emerging economies, especially those in East Asia whose financial services are in their infancy, are less eager to open their doors.

To liberalize its financial services, Thailand's measures include offering five to seven new banking licences to foreign banks, beginning a second round of allowing foreign banks to operate offshore banking under the Bangkok International Banking Facilities, and reducing the Thai ownership requirement in insurance companies.

Early Establishment of Free Trade Area Viewed

BK0108153095 Bangkok THE NATION in English 1 Aug 95 pp B1, B2

[By Chirawat na Thalang and Chiraphon Atchawakhom]

[FBIS Transcribed Text] Business leaders and academics have responded positively to a proposal to cut the Asean Free Trade Area timeframe from 2003 to 2000, though they still questioned whether all Asean governments would eventually agree to the plan.

Finance Minister Surakiat Sathianthai said that he hailed the shorter Afta proposal as a "constructive idea." But he was cautious that local petrochemical industries might be negatively affected by the planned shorter Afta.

On Saturday, during the opening the annual meeting of the Asean foreign ministers at Bandar Seri Begawan, Sultan of Brunei, Hassanal Bolkiah, urged the other Asean members to set up a free trade area in the region by 2000, three years before an original target, to cope with competition from far and near.

The proposal caught many delegates by surprise as it was the first time any Asean leader had talked about moving the target date.

If Asean leaders agree to the plan, Asean governments would have to reduce tariffs on all manufactured goods to a maximum of five per cent by the year 2000.

Surakiat said to prepare for the shorter Afta, the finance ministry will speed up the establishment of the Afta Adjustment Fund to help Asean industries which are hurt by the regional free trade scheme.

He added that the finance ministry will also push the creation of an anti-dumping law to prevent an influx from other countries of goods with excessively cheap prices.

Foreign investors in Thailand are quite receptive to the shorter Afta plan, but they were cautious as to whether all of the Asean governments would be able to convince their local industries to agree.

A member of the Japanese Chamber of Commerce who asked not to be named said, "The shorter Afta plan would certainly make Thai products more competitive in international markets. But a problem lies with domestic industries. How can the government convince domestic industries which are expected to be affected by a shorter Afta?"

Moreover, the shorter Afta, which will bring tariffs down from current levels, will certainly cause Asean members to lose a large amount of revenue they previously gained from customs duties. The source wondered if the Thai finance ministry could afford to lose some of this revenue.

He said that if the government could satisfactorily answer that question, a shorter Afta could finally be realised.

Dr Chokchai Akssranan, President of Federation of Thai Industries, said the suggestion to complete the Afta tariff cutting programme by end of the year 2000, instead of 2003, is practical but some industries might not be ready by then.

He said agricultural products, processed and unprocessed, will face no problems under the proposed new timeframe suggested by Brunei. The domestic industries of every Asean member, including Thailand, will be affected but the magnitude will vary according to the various stages of industrial development.

Chokchai is due to meet Surakiat this week to discuss a wide range of issues. Surakiat last week told Parliament in the policy statement that the Banharn government will revive the Afta Adjustment Fund to help industries affected by the regional grouping's tariff cutting programme.

He said Vietnam, the seventh member of Asean, could join a speedier Afta programme in some product categories. Vietnam has been given until 2006, instead of 2003, to phase into the Afta programme launched in 1992.

Dr Tirana Phongmakhaphat, of Faculty of Economics, Chulalongkon University, said that Asean countries should realise that it is necessary to accelerate the Afta agreement. He said that Afta should create a freer market than what was agreed at the World Trade Organization (WTO).

The successful outcome of the WTO might indicate that the WTO requirements might be too broad, Tirana said. As such, Asean should find it more comfortable to level the playing fields among countries whose economic situations are similar.

Nevertheless, he said that Asean governments will have to sort out what to do with the exclusion list or how to accommodate an Afta exclusion list mostly in sensitive industries, to a shorter timeframe.

Moreover, he noted that Vietnam, which has recently become the seventh member of Asean and subsequently Afta, might find it difficult to accelerate the tariff cut timeframe as suggested by Sultan Bolkiah. Hanoi needed a three year grace period to phase in the Afta scheme.

Vietnam officially became the seventh member of Asean on Friday. Vietnam's admission into Asean has created a market of more than 400 million people comprising Thailand, the Philippines, Brunei, Singapore, Indonesia and Malaysia.

Tirana said that as a result, the Asean members might have to come up with a two-speed approach in order to accommodate all members of Afta. That is, Vietnam should be given a grace period to follow the Afta timeframe according to that country's needs.

"If the rest of the Asean members have to slow down their tariff cut schedule, they might eventually miss the plan," he said.

Hiroyuki Maruko, president of Japanese Chamber of Commerce in Bangkok, said that Vietnam's admission to Afta is the right direction of Asean. The Asean members should be well aware of the wide difference between the economic situation of Vietnam and the original six members of Asean.

If Asean could sort out how to, accommodate the emerging economies with the Afta plan, Asean will eventually have Burma, Laos and Cambodia become members of Afta after they become members of Asean.

He said that regional economic cooperation will not only promote the economy in the region, but also enhance security.

Maruko suggested the Asean governments strengthen cooperation within the group instead of concentrating on other forums especially Asia-Pacific Economic Cooperation.

He thought that the cooperation within Asia-Pacific Economic Cooperation (Apec) is unlikely to develop from being a consultative forum into a regional free trade area.

Apec is "too big", according to Maruko. The population in Apec accounted for 38 per cent of the global population, the combined Gross Domestic Product (GDP) represented 52 per cent of the total, while Apec internal trade was 41 per cent of the world's total trade.

"As such, Asean members should be serious in developing the Afta tariff cut plan," he said.

In 1992, the six-nation Asean agreed to establish an Asean Free Trade Area, or Afta, with ultimate effective tariffs ranging from 0 per cent to 5 per cent by 2003, thereby benefiting from a potential single market of about 350 million people.

Thailand is now the 12th largest foreign investor in Vietnam whose economy has been revitalized by foreign investment, which now totals more than Bt1OO billion.

Army Blasts AFP on 'Distorted' Cambodia News

BK0208082595 Bangkok BANGKOK POST in English 2 Aug 95 p 1

[FBIS Transcribed Text] The Army yesterday strongly lashed out at Agence France Presse [AFP], one of the world's major news agencies, saying it has constantly published distorted and groundless news reports that the Thai Army has provided assistance to the Khmer Rouge.

It also suggested that AFP replace its reporter in Cambodia. Army spokesman Col [Colonel] Phalangkun Klahan said an AFP report in this manner usually comes at a time when Cambodian government forces fail in their suppression drive against Khmer Rouge guerrillas.

He said it was evident that during 1994-1995 the AFP reporter in Cambodia had been reporting distorted stories and quoting unreliable sources about Thai military interference in Cambodia.

The spokesman, for example, cited an AFP report on July 30 which quoted several Cambodian soldiers and high-level commanders as saying that because of interference by the Thai military and civilian personnel Cambodian government forces were not able to capture important strongholds of the Khmer Rouge and suffered many casualties in a recent suppression drive against Khmer Rouge positions in western Cambodia.

The report, quoting field sources, said Khmer Rouge counterattacks were not from the west or the south but from the north or Thailand and that a Thai tank took part in the battle.

Some Thai merchants and a number of middle-level Thai army officers with interests in cross-border trade provided sanctuaries for the Khmer Rouge. Without assistance from Thailand, the Khmer Rouge would not have been able to resist the government forces, the report quoted the sources as saying.

Col Phalangkun said the report was totally untrue.

He said the AFP reporter in Cambodia had clearly shown his intention of damaging the Thai Army and Thailand as a whole for some hidden interest.

Army Chief Gen [General] Wimon Wongwanit has ordered border units to closely monitor the work of the AFP reporter in Cambodia, he said.

"In democracy, we cannot do anything against freedom of the Press. But we would like to suggest that AFP replace its reporter in Cambodia," the spokesman said.

The Army will contact the AFP office in Hong Kong concerning the matter. Moreover, the Thai military attache in Phnom Penh, Col Nopphadon Ratchatanawin, will clear the matter up with the Cambodian side.

Strong Yen Forces Delay in Deficit Cuts

BK3007071295 Bangkok BANGKOK POST in English 29 Jul 95 p 15

[Report by Butsaba Siwasombun]

[FBIS Transcribed Text] The Japanese yen's appreciation has caused Thailand to readjust plans to cut its current-account deficit, Bank of Thailand governor Wichit Suphinit said yesterday.

Mr Wichit said after meeting Finance Minister Surakiat Sathianthai, who paid an official visit to the central bank, that the Bank of Thailand originally planned to cut the country's current-account deficit from 6.3 percent of Gross Domestic Product now to 2 percent in 2001.

But now the target has been adjusted to reduce the shortfall of the current account to 3.5-4 percent by that year.

When the plan was designed, the yen's value stood at over 100 yen to the US dollar. But now the yen is only about 88 to the dollar.

Thailand has imported heavily from Japan and the trade imbalance against Japan is the highest of any country.

The developing industrial sector of the country will also result in a higher trade deficit for the country and consequently, a higher current-account deficit, Mr Wichit said.

Thailand has been facing tough competition from emerging countries where labour costs are much lower, so it has to develop its industries to use higher standards of technology to produce more value-added products.

This will result in more imports of capital goods of higher technology and know-how, and this will affect the country's trade balance and current account, Mr Wichit said.

He said fiscal and monetary policies alone were not sufficient to solve the current-account deficit, but the Government would have to implement other measures to make the scheme effective.

The previous government set up a committee to solve the current- account deficit problem, and Mr Wichit said he hoped the new government would follow up on the plan.

In the previous government's plan, many other measures will be implemented, such as increasing Thai marine liner services because sea freight is one of the major causes of the country's current- account deficit.

In this plan, Thai Maritime Navigation Co, the only national shipping line, will be privatised and strengthened to provide more services to Thai international cargo.

Other measures include the promotion of tourism and the acceleration of Thai exports, Mr Wichit said.

He said the new Government had set a policy to waive tax on interest from long-term deposits — a move aimed at encouraging more savings.

Also, the Finance Ministry has announced plans to exempt tax on interest from savings deposits accounts for which interest amounts to less than 20,000 baht per year in each account. The waiver is now granted to accounts with interest under 10,000 baht each.

The general savings deposit rate is currently 5 percent. That means the amount of deposits enjoying interest tax waivers will increase from around 200,000 to 400,000 baht.

Mr Wichit said the Bank of Thailand had set a policy to maintain interest rates at high levels since the beginning of this year to attract more savings to the banking system. He said the measure had become fruitful.

In the first half of the year deposits grew 19 percent, and it is expected the growth rate for the whole year will be 17 percent, which is greater than last year's 13 percent, Mr Wichit said.

Outstanding deposits in the banking system are now equivalent to 3.5-3.6 percent of Gross Domestic Product, and if this proportion is maintained, the current-account deficit will be greatly reduced, he said.

He said measures to combat inflation were sufficient to cope with the problem as the economy had been softly landing over the past two months.

Cabinet Boosts Fiscal 1996 Budget

BK0208073595 Bangkok THE NATION in English 2 Aug 95 p A1, A2

[FBIS Transcribed Text] The Banhan Cabinet yesterday made an unprecedented move by adding [Thai baht] Bt11 billion to the fiscal 1996 budget of Bt832 billion fixed by the previous government — prior to specifying where expenditure would be directed.

The Comptroller General Department, meanwhile, will ask at least seven state enterprises to pay a bigger portion of earnings to the government, up to 50 per cent of their total, to cover the expenditure increase for a balanced budget.

The research centre of the Thai Farmers Bank immediately cautioned that the additional budget, if spent "recklessly or luxuriously", could have a major impact on the overall economy next year.

The Cabinet-approved increase brought the total budget to Bt843 billion. The government would only say that the additional money would be used to solve traffic problems, expand and build schools, and pay for an unidentified public health services.

In the meantime, the Budget Bureau reshuffled some of the projects in the budget and found another Bt3 billion to spend. Bodi Chunnanon, the Budget Bureau director, said government agencies have been given one week to prepare project proposals for the extra funds.

The new projects will be considered by the Cabinet on August 22 and should reach Parliament by September 5.

The Banhan government scrapped the students' loan programme in which the Education Ministry was supposed to spend the first Bt4 billion in fiscal 1996. The ministry may use the money for other projects or return it to the Budget Bureau, Bodi said.

Finance Minister Surakiat Sathianthai endorsed the budget increase, despite the abolition of the withholding tax on interest income, a policy that will further decrease government revenue.

Bodi said that over the past nine months of the current fiscal year ending September 30, several state enterprises had reported higher revenue than expected.

Increased government spending has raised fears that inflation will rise. The Commerce Ministry yesterday reported that the July inflation rate rose to 5.8 per cent, in comparison to 5.4 per cent in June. The year-to-date index shows that inflations steadily increasing.

Bodi said the extra budget would add 0.1 per cent to the 4.8 per cent inflation projection for fiscal 1996, lower than this year's predicted 5 per cent.

The budget increase will add 0.1 percentage point to 1996 inflation, projected to rise from 4.8 per cent to 4.9 per cent because the investment budget will be raised to 38.8 per cent of total expenditure. The GDP growth is projected to reach 8.9 per cent in fiscal 1996.

Surakiat assigned the Budget Bureau to study the impact of a bigger budget last week before submitting it to Cabinet yesterday. Usually, the Bank of Thailand and National Economic and Social Development Board would have to be consulted on inflation and other impacts prior to a budget increase.

Bodi said inflation will be marginally higher because the investment budget is to generate more building projects. The investment portion of 1996 budget would be 38.8 per cent, up from 38 per cent in the previously-planned budget.

Most of the additional money will go into highway projects as Prime Minister Banhan has announced his intention to expand highways from four to six lanes.

To create a balanced budget, at least seven state enterprises would have to pay a bigger portion of earnings to the government. The current contribution rate is 30 per cent, but the proposed new rate is 30 per cent to 50 per cent of earnings.

In addition, majority state-owned units listed on the stock market will have to speed up the process of paying dividends to the government.

A total of seven state enterprises are identified as the targets for paying a bigger portion of earnings to the government which yesterday approved a plan to increase the 1996 budget by Bt11 billion to Bt843 billion.

On the list are Government Lottery Bureau, Metropolitan Electricity Authority, Provincial Electricity Authority, Electricity Generating Authority of Thailand, THAI Airways International (listed), Telephone Organization of Thailand, Communications Authority of Thailand, and Krung Thai Bank (listed).

The plan will raise government revenue by Bt2 billion to a total of Bt50 billion. The exact percentage of revenue contribution will be determined on a case by case basis.

Former Vice Premier Criticizes Move

BK0208101495 Bangkok BUSINESS DAY in English 2 Aug 95 p 1

[FBIS Transcribed Text] Former deputy prime minister Dr Suphachai Phanitchaphak said yesterday's decision by the government to increase the fiscal budget for 1996 by 11 billion baht would lead to the economy overheating, causing inflation to rise.

The Cabinet increased the budget in line with the new Government's policy emphasis on infrastructure development, basic education, public health and social welfare, Bodi Chunnanon, Budget Bureau Director, said.

Dr Suphachai said the Government should have shuffled funds around for best results, rather than increasing the fiscal budget. He questioned where the Government would find the additional funds, since one of its policies was to reduce taxes.

The increase in the budget will have a psychological effect on the country's investment climate he added, reducing investors' confidence. Mr Suphachai said investors normally dread economic overheating and inflation.

Prime Minister Banhan Sinlapa-acha defended the budget increase.

"The budget increase is necessary for the improvement of infrastructure, particularly traffic, he said, adding that he will tour the country to find out for himself priorities in infrastructure development.

He also insisted the budget increase would neither affect the country's current account deficit nor cause inflation.

Dr Suphachai, though, pointed out that the previous government had already increased infrastructure spending for fiscal 1996, pushing up the traffic budget by 100 percent;

Mr Bodi said the additional budget would be allocated for new projects such as the expansion from four to six traffic lanes on some roads.

Educational and health projects, including the purchase of new equipment for schools and small hospitals, would also benefit from the budget increase, he added.

Mr Bodi said Government Ministries and agencies had been asked to submit requests for additional funds by next Tuesday. He said the Budget Bureau will consider such requests and make proposals to the Cabinet on August 22.

He also claimed the increase would only result in a small rise in inflation.

"Ww anticipate inflation to increase 0.1 percent from the earlier estimated level of 4.8 percent, as a result of the budget increase, Mr Bodi said, adding that economic growth rate will be between 8.8- 8.9 percent.

The Finance Ministry said collection of Govemment revenues would not be affected by the budget increase, although it said some state enterprises may have to turn in more income.

The House of Representatives is scheduled to hold its first reading of the fiscal 1996 budget bill on September 5. As it will take up to 105 days for the bill to pass its third and final reading, the new budget will not take effect until December, two months behind schedule.

Vietnam

Nguyen Manh Cam Meets With ASEAN Ministers

BK0108130195 Hanoi VNA in English 1906 GMT 31 Jul 95

[FBIS Transcribed Text] Hanoi VNA July 31 — Vietnamese Foreign Minister Nguyen Manh Cam, while attending the 28th ASEAN ministerial meeting in Brunei from July 29-30, met with foreign ministers of ASEAN-member countries and the ASEAN general secretary on separate occasions.

During these meetings, Foreign Minister Nguyen Manh Cam highly appreciated ASEAN-member countries and the ASEAN secretariat's practical assistance and positive cooperation to Vietnam in its preparation for joining in ASEAN. The Vietnamese diplomat exchanged views with other ASEAN foreign ministers on concrete measures to create favourable conditions for Vietnam to participate in all ASEAN's activities.

On this occasion, ASEAN foreign ministers also exchanged views on measures to promote bilateral relations between Vietnam with each ASEAN-member country.

While meeting with Minister Nguyen Manh Cam, Chinese Deputy Prime Minister and Foreign Minister Qian Qichen warmly welcomed Vietnam's progress in diplomatic relations, especially its joining in ASEAN and establishing diplomatic relations with the United States. Mr. Cam affirmed Vietnam's open-door, independent, sovereign and diversified foreign policy and its wish to expand the relations of friendship and cooperation with neighbouring countries, including China. The two foreign ministers expressed their satisfaction at the development of the friendship and cooperation between the two countries in recent years, and discussed measures to further promote such relations.

With regard to territorial and border issues, Mr. Cam stressed that the settlement of disputes relating to the Spratly and Paracel archipelagoes is an important factor, contributing to the stability in the relations between the two countries as well as in the region. The two sides agreed that while conducting negotiations to reach a fundamental and lasting solution the two sides must thoroughly respect agreements of the two countries and the agreement on the fundamental principles to settle border problems and the provisional agreement on border management, refrain from taking actions that could cause more complications and maintain stability.

Minister Nguyen Manh Cam and foreign ministers of Laos, Cambodia and Myanmar discussed measures to further push up developing relations between Vietnam and those countries.

ASEAN Regional Forum Meeting Summarized

BK0208055295 Hanoi VNA in English
1513 GMT 1 Aug 95

[FBIS Transcribed Text] Hanoi VNA August 1st — Foreign ministers of 19 countries involved have adopted ASEAN's proposals as specified in its basic document, affirming that the ASEAN Regional Forum (ARF) would continue to be a forum of dialogue and open exchange of views on political and security matters in an effort to reconcile differences among concerned parties, thus reducing threats to the regional security.

At a press briefing at the end of the second ARF meeting held in Bandar Seri Begawan today, Brunei's foreign minister, Prince Mohammad Bolkiah who was also chairman of the meeting, made public a declaration, saying that all foreign ministers expressed their satisfaction at the present stability in the Asia Pacific region and acknowledged the readiness of all parties concerned to exchange views on the regional security in the spirit of mutual respect, equality and cooperation.

All ministers also expressed their concerns over claims on overlapping sovereignty in the region and called on all claimants to reaffirm their commitments to all principles stated in legal documents and international conventions concerned, including those mentioned in Manila declaration of ASEAN countries in 1992.

Indonesia will be chairman of the third ARF meeting to be held after the next 29th ASEAN foreign ministerial meeting in Jakarta in July 1995 [as received].

Chamber of Commerce Joins ASEAN Body

BK0208054795 Hanoi VNA in English
1507 GMT 1 Aug 95

[FBIS Transcribed Text] Hanoi VNA August 1st — The Vietnam Chamber of Commence and Industry (VCCI) was admitted as the seventh member of the ASEAN Chamber of Commerce and Industry (ASEAN-CCI) at the 48th meeting of the latter's council held in Manila the Philippines this morning.

This followed Vietnam's ASEAN membership at the 28th ASEAN foreign ministerial meeting in Bandar Seri Begawan of Brunei on July 28.

Addressing the admission ceremony held at the Shangri-La Edsa Plaza Hotel in Manila, Mr. Hoang Van Dung, deputy secretary general of the VCCI thanked the ASEAN-CCI and its chairman for their cooperation and assistance, and expressed wishes of the VCCI and Vietnamese businesses to broaden economic and commercial cooperation with ASEAN partners for common interest and prosperity in the region.

The ASEAN-CCI was founded in Jakarta, Indonesia, on April 19, 1972, including the first five members Indonesia, Malaysia, the Philippines, Singapore and Thailand. Brunei was admitted to this organization in 1984.

Investment by ASEAN Countries Outlined

BK0108161295 Hanoi Voice of Vietnam Network in Vietnamese 0015 GMT 31 Jul 95

[From "International Topics Program"]

[FBIS Translated Text] To date with 104 investment projects totaling nearly $1.4 biilion, Singapore is the leading investor among ASEAN member countries investing in Vietnam. Singapore investors mark their presence in most areas of the economy, with 29 industrial projects, one oil and gas exploration project, 14 projects in hotel industry, and the rest in other areas.

In the first half of 1995 alone, 24 Singapore projects were licensed with total capital of nearly $300 million. From now until the end of the year, Singapore still has about 10 projects under consideration for licenses with total registered capital about $1 billion including the most important project to build Ben Dinh-Sao Mai Port in Ba Ria Vung Tau, a project worth over $600 million.

Malaysia ranks second among ASEAN countries investing in Vietnam with 43 projects and registered investment capital over $600 million. In addition to an oil exploration project in Lot No. 1 and 2, Malaysia also shares an oil exploration project at the Dai Hung [Big Bear] oil field area. Malaysia also has two projects to build major economic processing zones, one in Quang Nam-Danang worth $24 million, and the other in Noi Bai, Hanoi, worth nearly $30 million.

In the first six months of the year, Malaysia had six projects licensed with total capital of over $250 million, twice as high as same period last year. At present 26 Malaysian projects are operating in Vietnam with about $100 million of capital, including about $79 million contributed by the Malaysian side.

Ranking third among ASEAN countries is Thailand with 64 projects and registered capital of nearly $300 million. Thailand projects mainly focus in processing industry and usually mobilize small to medium capital amounts, an average of about $4 million or $5 million each. The largest Thailand's investment project in Vietnam, licensed in 1994, is the construction of Long Binh Industrial Zone which costs over $46 million.

Indonesia ranks fourth among ASEAN countries investing in Vietnam. Apart from one project to supply petrol service ships expired recently, Indonesia still has nine projects operating at present including three projects in industry, two in timber processing and flower growing, and four projects in hotel construction, transport service, and banking.

Philippines is the country with smallest investment in Vietnam except Brunei, because at present Philippines itself is also in great need of foreign investment.

In the next few years with the fine development of Vietnam-ASEAN relations, the amount of ASEAN investment projects in Vietnam will certainly increase.

General Secretary Do Muoi Visits Australia

Begins Visit in Sydney

BK3107130295 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 30 Jul 95

[Report by Dao Nguyen in Australia]

[FBIS Translated Excerpt] Dear Friends: Today is the second day of the trip to Australia by Comrade General Secretary Do Muoi and his entourage. They visited some economic establishments in New South Wales. [passage omitted]

In a reception held by the BHP Corporation with the participation of a senator from New South Wales, Comrade General Secretary Do Muoi clearly stated that Australia's steel production capacity will be the foundation for Vietnam and Australia to accelerate their cooperation. He emphasized to the BHP Corporation chairman that Vietnam and Australia can cooperate in steel, aluminum, and electricity and energy production as well as in cow breeding to help improve the living standard of the Vietnamese people and bring economic benefits to Australia.

Dear friends, after arriving in Sydney to start his visit to Australia, Comrade General Secretary Do Muoi met with New South Wales Premier Bob Carr and attended a reception organized by the chairman of the Telstrar Corporation.

Keating Speaks at Luncheon

BK0108123595 Hanoi VNA in English 1759 GMT 31 Jul 95

[FBIS Transcribed Text] Hanoi VNA July 31 — Following are large excerpts of speech by Australian Prime Minister Keating at the lunch in Canberra on July 31 in honour of secretary-general of the Central Committee of the Communist Party of Vietnam Do Muoi, now on an official visit to Australia.

'You have arrived here at an important time for Vietnam and the region.

'Last Friday Vietnam became the seventh member of ASEAN. Australia wlcomed this historic development.

'We now have a new range of opportunities to build our relationship regionally as well as bilaterally.

'Eventually, we hope Vietnam will participate in the discussions we have been holding on links between the ASEAN Free Trade Agreement and the Australia-New Zealand Closer Economic Relations Arrangement.

'We also welcome the normalisation of relations between Vietnam and the United States, which was announced early this month. As you know, general-secretary, this is a development Australia has consistently encouraged over many years.

'In fact, Australia's policy in the region has been guided by the conviction that the region will be stronger, its institutions more resilient and its chances of prosperity and peaceful development greater if Vietnam is fully engaged in its development.

'That is also why we think that in due course Vietnam is a natural member of APEC.

'Both Australia and Vietnam have been through a period of deep economic and social change in recent years.

'In Australia, we hav committed ourselves to an open economy, deeply integrated with Asia. Our future lies fully and unambigously in the Asia-Pacific. For us, there can be no U-turns ...

In other words, the Vietnamese people are already experiencing the tangible benefits of this policy.

'Your reform program reflects some of the qualities Australians admire most in the Vietnamese people-resilience, determination, an underlying pragmatism and willingness to change. These are qualities that Australians share.

Australia's relationship with Vietnam is not new.

'The war, with all its suffering, left scars which remain in both countries, but which I believe are healing.

'Australia was one of the first Western countries to recognise the Socialist Republic of Vietnam more than 20 years ago.

And we were the first to resume aid to Vietnam after the Cambodia settlement.

'Australia is the sixth largest foreign investor in Vietnam, with over USD 920 million invested last year.

'The companies involved are some of Australia's largest and most experienced - like BHP, Telstra and the ANZ Bank-as well as smaller innovative businesses.

'Our aid program has grown too-from USD 10 million in 1990/91 to USD 72 million in 1995/96. We are working with Vietnam in health, education and major infrastructure projects.

'We witnessed just a short time ago the signing of agreements covering our cooperation in building the huge My Thuan bridge project and Australia's commitment to draw up an integrated master plan for the economic development of the southern economic focal zone, based on Ho Chi Minh City and Vung Tau.

'But the major component of our aid program is education. Currently 450 Vietnamese are training in Australia and I would like our education lincs to grow. Because I strongly share your view that education is the key to both our countries' future.

'Our dialogue has grown and deepened with Vietnam across a wide range of issues. Ministerial and other official exchanges are multiplying rapidly.

'We were very pleased that the Australian parliamentary consultative delegation was able to visit Vietnam in April this year and to hold very constructive discussions throughout the country, including opening up a dialogue on human rights. This was an important visit and we were grateful for your cooperation...

'I am sure that one great long-term asset in our relationship is the skilled and resourceful community of around 140,000 Vietnamese Australians.

'The air services agreement which was signed this morning will help this process. More than 32,000 Australians - many of them Vietnamese-Australians - travelled to Vietnam in 1994 for business or tourism or to see their families. These personal links will expand and broaden our relationship.

'Australia wants more than a relationship with Vietnam, we want a partnership. One that reaches across a wide range of official business and people-to-people activities. One which grows out of a deeper understanding of each other's culture and society'.

Do Muoi Speaks at Luncheon

BK0108124395 Hanoi VNA in English
1835 GMT 31 Jul 95

[FBIS Transcribed Text] Hanoi VNA July 31 — The general secretary of the Communist Party of Vietnam, Mr. Do Muoi, gave a speech at the luncheon hosted in his honour by Prime Minister Paul Keating in Canberra on Monday. Following are large excerpts:

'I am highly pleased with the results of the talks I have had today with the honourable prime minister. We have agreed upon the directions and measures designed to bring the Vietnam-Australia multi-sided co-operation to a new stage of development.

'We rejoice at the constantly improved relations between Vietnam and Australia. We highly value the honourable prime minister's efforts and positive contributions to this process...

'We have recorded numerous achievements in implementing our foreign policy of independence, sovereignty, diversification and multilateralisation.

We attach high importance to broadening friendly and co-operative relations with neighbouring countries, with countries in Southeast Asia and in Asia-Pacific, including Australia, an industrialised country of important position.

'The relations of friendship and co-operation between Vietnam and China continue to develop. With regard to a number of problems, left by history, especially those on border and territorial issues, we advocate persistent negotiations for a solution.

'On July 11, 1995, US President Bill Clinton announced his decision to establish diplomatic relations with Vietnam. This is an important decision. The government and people of Vietnam welcome it and stand ready to work with the United States on a new framework for the relationship between the two countries on the basis of respect for each other's independence and sovereignty, non-interference into each other's internal affairs, equality, mutual benefit, and conformity with the universal principles of international law.

'A few days ago, on July 28, we were admitted into ASEAN as its full member. The Vietnam-Australia relationship will thus have additional frameworks for co-operation. In addition to our current bilateral ties, from now on, Vietnam will relate to Australia in the latter's capacity as a dialogue partner of ASEAN. We welcome Australia's policy attaching importance to its relations with countries in Southeast Asia and East Asia and strengthen its co- operation with Vietnam.

'As a country in Asian-Pacific, [as received] it is our policy to make active contributions to consolidating and strengthening peace, stability and cooperation throughout the region. We took part in the first ASEAN Regional Forum (ARF-i) and are making intense preparations for the second Asean Regional Forum (ARF-II) with a view to joining hands with other countries in the region in an attempt to find effective measures to ensure regional security and stability.

'We hold that the proliferation and development of nuclear weapons in Asia-Pacific and the world as a whole should be suspended, with the ultimate aim being the complete elimination of these and other weapons of mass destruction. We support the Rarotonga Treaty for turning South Pacific into a nuclear weapon- free zone.

'Regarding the issues of the Spratly and Paracel archipelagoes, our position is crystal clear and constructive. We have adequate legal and historical grounds to assert that the Spratlys and the Paracels are absolutely under Vietnam's sovereignty. However, for the sake of regional peace and stability, our view is that the concerned parties seek a fundamental and long-lasting solution through negotiations, pending such a solution, they should practice self-restraint, maintain status quo, refrain from any acts that may aggravate the situation and not resort to force or threat of force.

'Vietnam's foreign policy of openness, which attaches great importance to its relations with countries in Southeast Asia and Asia-Pacific, along with Australia's policy of cooperation with Southeast Asian and Asia-Pacific countries, represent premises for new prospects in our bilateral co-operation.

'We are pleased to see Australia among the first countries to resume development assistance for Vietnam. The Vietnam-Australia economic and trade co-operation has increased rapidly since then. For the 1994-97 period, Australia has undertaken to assist Vietnam in implementing projects of infrastructure development, increase its co-operation with Vietnam, in postal and telecommunication services, mining, and export-oriented processing, and provide Vietnam with experience in establishing stock exchanges and training personnel. The two sides have signed important agreements on economic-trade co- operation and investment insurance. And today, in Canberra, a ceremony was held for the signing of several more agreements, including one on aviation co-operation and another on Australian assistance to complete construction of Vietnam's My Thuan bridge in the year 2000. We have also noted with delight the 10-fold increase in our bilateral trade within the mere span of four years between 1990 and 1994, Australia now ranks among the leading foreign investors in Vietnam, with more than 40 projects worth over 600 million USD. Australia's increased development assistance for Vietnam and its productive co-operation projects in Vietnam are greatly appreciated by the Vietnamese people. On behalf of the Vietnamese people, I wish to express our warmest thanks to the government and people of Australia for such assistance and co-operation.

'Once again, we reaffirm Vietnam's consistent policy in our relations with Australia, that is to put the past behind and look forward to the future, and to further develop the relations of friendship and co-operation with Australia in various fields. We have always treasured the development of our relations of friendship and co-operation with Australia. We are extremely happy at the bright vista of these relations.

'On this occasion, we wish to convey to the Vietnamese community in Australia the heartfelt feelings from their home compatriots. It is our wish that they integrate harmoniously into the Australian society, respect the law of Australia, prosper in life and contribute to making Australia wealthier and stronger, and, at the same time, think of their motherland and their natal places, actively contribute to Vietnam's national construction and to the friendly and co-operative relations between Vietnam and Australia, keep themselves from doing anything that may not benefit our bilateral relations'.

Activities in Canberra Outlined

BK0108130095 Hanoi VNA in English
1846 GMT 31 Jul 95

[FBIS Transcribed Text] Hanoi VNA July 31 — Australian Prime Minister Paul Keating today rolled out red carpet to welcome Vietnamese Party General Secretary Do Muoi who arrived in Canberra from Sydney, where he had made a two-day visit from July 29.

Also present at the state ceremony were Stephen Martin, speaker of the House of Representatives; Michael Beatian, president of the Senate; Gen. John Baker, chief of the Defence Force; Michael Keating, secretary of the Department of the Prime Minister and Cabinet; and Mrs Sue Boyd, Australian ambassador to Vietnam.

At noon, Prime Minister Keating hosted a lunch in the Vietnamese guests' honour. The Australian prime minister and the Vietnamese party leader delivered speeches at the luncheon.

In the afternoon, Mr Do Muoi received and had a working session with Mr Gordon Bilnet, acting foreign minister and minister for development co-operation and Pacific Island affairs.

Deputy Prime Minister Phan Van Khai and party Central Committee Secretary Hong Ha were on hand.

Later in the afternoon, the visiting guests left Canberra to visit Melbourne, capital of the Victoria state in the southern part of Australia.

Aid Agreement Signed With Australia

BK0208053395 Hanoi Voice of Vietnam in English
1000 GMT 1 Aug 95

[FBIS Transcribed Text] Vietnam and Australia on Monday [31 July] signed an agreement by which Australia will provide $39 million to build the My Thuan Bridge across the Mekong River in southern Vietnam. The agreement was signed in Canberra by Vietnamese State Committee for Cooperation and Investment Chairman Dau Ngoc Xuan and Australian Development Cooperation Minister Gordon Bilney during the current visit by Vietnamese Communist Party General Secretary Do Muoi. The bridge, expected to get the final go ahead after feasibility studies completed, will be jointly funded by the two governments for the total of $63 million and will be built by an Australian company. Work is expected to start in mid-1997.

Also in Canberra on Monday, the two countries signed a new air services agreement to increase flights for Qantas and Vietnam Airlines. The agreement will take effect in November to allow the two airlines two services a week, expanding to three a week from November 1996.

Australia

Canberra Excluded From 1st Euro-Asian Summit

LD0108124495 Melbourne Radio Australia in English 1100 GMT 1 Aug 95

[FBIS Transcribed Text] The foreign minister, Gareth Evans, says Australia will definitely be invited to the second Asia-Europe summit, but Senator Evans says Malaysia's veto means Australia will not be going to the first summit in Thailand early next year. Graeme Dobell reports from Brunei that Senator Evans says the promise of future involvement for Australia and New Zealand in the summit is a fair outcome.

[Dobell] The foreign minister said opposition by Malaysia meant there wasn't a consensus for Australia to be at the first Asian summit with Europe, but Senator Evans said Australia would definitely be at the second summit:

[Begin Evans recording] I wouldn't characterize it as in any way a diplomatic problem for Australia. We had hopes, but we certainly didn't have expectations, about this particular summit, and what I'm most pleased about is, first of all, the bedding down of the commitment to us in the future; secondly, the very high level of support specifically for our attendance at the first meeting that we received — nine out of 10 of the participating countries made that clear. [end recording]

[Dobell] Senator Evans said Australia was accepted in East Asia as a fully participating partner and a member of the region. This meant Australia had achieved a foreign policy objective it had been working on for the past decade.

Exclusion Not 'Setback'

LD3107120195 Melbourne Radio Australia in English 1100 GMT 31 Jul 95

[FBIS Transcribed Text] Australia's foreign minister, Gareth Evans, has denied that Malaysia's rejection of Australian participation in a proposed Asian summit with Europe next year is a setback for Australia's push into Asia. Senator Evans says all the Asian states except Malaysia agreed to Australia attending the summit, to be held in Thailand in early March. Senator Evans said Australia is still battling some of the old Asian perceptions about the White Australia policy, and he will be talking to Malaysia about its view on Australia:

[Begin Evans recording] Well, if you do have the support of something like 10 out of 11 of the East Asian nations who are sitting around that particular table, and the only reason you are not there is because a full consensus can't be achieved just yet, then I wouldn't regard that as anything much in the nature of a snub or a serious disappointment. For Australia, it's just simply another stage in an evolutionary process. [end recording]

The Australian opposition says the Keating government's policy of enmeshing Australia in Asia is about to be revealed as a spectacular and humiliating failure. The opposition shadow foreign minister, Alexander Downer, says the crucial test of the policy will hinge on whether Australia participates in the Asian-European summit. Mr. Downer says if Australia does not participate, it will be because Asian governments do not believe Australia's rhetoric about the region is matched by its actions.

Further Reaction to Recall of French Envoy

Recall 'Unfortunate'

BK0208030195 Melbourne Radio Australia in English 0100 GMT 2 Aug 95

[FBIS Transcribed Text] Australia has described the French decision to recall its ambassador to Australia as unfortunate. Acting foreign minister, Gordon Bilney, would not speculate on what further retaliatory action Paris may now take against Australia, and he dismissed suggestions that Paris could rethink its commitment to the Comprehesive Test Ban Treaty.

[Begin Bilney recording] The Comprehensive Test Ban Treaty is a huge breakthrough and it would incur the fury of the world if any country were not to go along with its commitment to sign that treaty in May next year. But in agreeing to negotiate that treaty, every country, including the nuclear weapons state, agree to act with utmost restraint in the period between now and then.

Now, Britain is not testing, the United States is not testing, the Soviet Union is not testing. It is only two countries which are testing and of those, it is France which is has taken this action far from its shores and in our part of the world. [end recording]

'Positive' Outcome Expected

BK0208070995 Melbourne Radio Australia in English 0500 GMT 2 Aug 95

[FBIS Transcribed Text] Australia's defense minister, Robert Ray, says he assumes something positive will come out of France's decision to recall its ambassador to Australia. France has retaliated against the Australian Government's exclusion of a French company from bidding for a billion dollar Australian defense contract.

Senator Ray says the French bid by the aircraft company, Dassault, had been recommended for shortlisting, but it had now been ruled out because of France's decision to resume nuclear testing in the Pacific. He says there are three very strong contenders left, so Australia's national interest is not being disadvantaged.

[Begin Ray recording] I think something positive will come of that as the French ambassador having gone back to Paris will be able to explain, I think, Australia's real concern about French nuclear testing in the Pacific and the government's concern and country's concern about it. [end recording]

Canberra's Envoy Stays in Paris

BK0208104895 Hong Kong AFP in English 1025 GMT 2 Aug 95

[FBIS Transcribed Text] Bandar Seri Begawan, Aug 2 (AFP) — Foreign Minister Gareth Evans said Wednesday that Australia had no plans to recall its ambassador to Paris and called for new dialogue as a row over French nuclear tests worsened.

"It's not part of our game plan at the moment," he told a news conference in Brunei, where he attended meetings with Southeast Asian nations, after French ambassador to Australia Dominique Girard was summoned to Paris.

Australia led an Asia-Pacific outcry at the meeting against French plans to resume nuclear weapons testing in the South Pacific.

Evans said Canberra wanted to "keep open lines of communication" and was "seeking rational outcomes" to the controversy.

Girard was pulled out in protest against Australia's decision to bar French aviation company Dassault from a defence contract worth more than 600 million Australian dollars (450 million US).

France also cited delays of mail and diplomatic bags to its embassy, failure to prevent a trade union picket blocking embassy entrances and delays of French ships in Australian ports among reasons for the recall.

Evans said Australia wanted to maintain links in order to continue the "process of persuasion" to convince Paris to scrap plans to resume nuclear weapons testing at Mururoa atoll from September.

"The recall is really a sign that Australian and international reaction is starting to sting in so far as France is concerned. There is no particular justification for the withdrawal in terms of specific grievances," he said.

He said France knew in advance that French bids for major defence contracts would be "vulnerable," and stressed the Australian government was "not acting deliberately" to delay mail and diplomatic bags.

Earlier, Evans warned China and France their nuclear weapons testing programs could endanger efforts to forge a comprehensive test-ban treaty by next year.

Evans was in Brunei as part of the annual Association of Southeast Asian Nations (ASEAN) dialogue with Asian, North American and European partners, which has been dominated this year by the nuclear issue.

The United States and ASEAN have also criticized France and China for resuming nuclear tests despite international condemnation, but the European Union backed France at the meeting.

France 'Starting To Understand' Protests

LD0208073895 Melbourne Radio Australia in English 0700 GMT 2 Aug 95

[FBIS Transcribed Text] Australia's Prime Minister Paul Keating says France's recall of its ambassador to Canberra shows the French are starting to understand the protests against their proposed South Pacific nuclear testing program. Mr. Keating says the protests are affecting business and the French don't like it, just as Australia doesn't like Paris's capricious decision to continue to detonate nuclear weapons at Mururoa Atoll.

[Begin Keating recording] What offends us about France is that it is a democracy. You expect democracies to behave better than affronting smaller nations and doing it particularly in this way, outside its own metropolitan area. So this, I think, this sort of admonition is the price the French are going to have to wear. [end recording]

Reportage on Visit of Vietnam's Do Muoi

Vietnamese Community Protests

BK3007123195 Melbourne Radio Australia in English 1100 GMT 30 Jul 95

[FBIS Transcribed Text] Members of the Vietnamese community in Victoria have protested in Melbourne against the visit to Australia by the secretary general of the Vietnamese Communist Party, Do Muoi. He is the highest-ranking Vietnamese officials to visit Australia. The six-day visit will include talks with Australian companies which have invested heavily in Vietnam. Mr. Do Muoi is also holding talks with Prime Minister Paul Keating who has described the visit as a milestone in relations between the two countries, but the president of Victoria's Vietnamese Refugees Support Committee, (Tang Manh Win), says Mr. Do Muoi is to blame for the repression of religious and democratic groups in Vietnam.

[Begin (Win) recording] Do Muoi is the most hated communist party leader by the Vietnamese people, especially the South Vietnamese people who suffered a lot. I never trust the communists. I was in prison by the communists for six years. [end recording]

Do Muoi Meets With Keating

LD3107103695 Melbourne Radio Australia in English 0900 GMT 31 Jul 95

[FBIS Transcribed Text] Australia's prime minister, Paul Keating, says Australia wants a partnership and not just a relationship with Vietnam. Mr. Keating has told the general secretary of Vietnam's Communist Party, Do Muoi, in Canberra that the partnership should span a wide range of official, business, and personal activities. He welcomed Vietnam's membership of ASEAN and said it would be natural for Vietnam to become a member of APEC, the Asia-Pacific Economic Cooperation forum. Mr. Keating said Vietnam's economic reform program, Doi Moi, was already successful and the Vietnamese people were experiencing its tangible benefits.

Outside Parliament House, hundreds of Vietnamese immigrants protested against the visit of Mr. Do Muoi, but Mr. Keating said the 140,000-strong Vietnamese community in Australia would enrich the relationship between the two countries.

Do Muoi Snubbed by Opposition

LD0108124995 Melbourne Radio Australia in English 1100 GMT 1 Aug 95

[FBIS Transcribed Excerpt] Australia's foreign minister, Gareth Evans, has condemned a snub of the general secretary of the Vietnamese Communist Party, Do Muoi, by the Australian opposition. Senator Evans said the opposition was mean-spirited and short-sighted in refusing to meet Mr. Do Muoi. An opposition spokesman says leader John Howard and foreign affairs spokesman Alexander Downer had other commitments during the visit. Senator Evans says regardless of the sensitivities of the Vietnamese community in Australia, future relations with Vietnam will be important. [passage omitted]

Agreement on Aid Project Signed With Vietnam

LD3107121095 Melbourne Radio Australia in English 1100 GMT 31 Jul 95

[FBIS Transcribed Text] Australia and Vietnam have signed an in-principle agreement to build a bridge across the Mekong River in southern Vietnam. The bridge, at (My Tuan), has a preliminary budget of $64 million, of which Australia will contribute $40 million over four years. It is expected to be Australia's single largest overseas aid project for public works construction. Australia's aid and development minister, Gordon Bilney, says the bridge will remove a major impediment to Vietnam's economic growth and will benefit poor farmers in the Mekong river delta. The project will be formally confirmed later this year if a feasibiliy study is favorable, and construction is expected to begin within two years.

Ambassador Row With Indonesia Discussed

LD0108123795 Melbourne Radio Australia in English 1100 GMT 1 Aug 95

[FBIS Transcribed Text] Australia's foreign minister, Gareth Evans, says he expects a new Indonesian ambassador to be appointed to Canberra before the end of the year. The ambassadorial issue was discussed at a meeting Senator Evans had with Indonesian Foreign Minister Ali Alatas in Brunei, where they are attending the ASEAN group forum.

Senator Evans said the dust would be allowed to settle following the withdrawal of Gen. Herman Mantiri as Indonesia's new ambassador because of Australian concerns about the general's comments on East Timor. Senator Evans said Mr. Alatas had stated that Indonesia did not want Australia to give automatic refugee status to people leaving East Timor. Senator Evans said he replied that each case would be assessed individually and Australia had tough requirements for the granting of refugee status. The foreign minister added that if the East Timor problem was resolved there would not be a problem with refugees.

Evans: PRC Emerging as 'Really Great Power'

BK0108134695 Melbourne Radio Australia in English 0630 GMT 1 Aug 95

[From the "International Report" program]

[FBIS Transcribed Text] The attempts to build new security understandings in the Asia Pacific take another step today in Brunei at the Second Asean Regional Forum. The aim of the forum which draws together foreign ministers from nineteen countries is to move from discussing security tension to setting some goals for the dialogue. Graeme Dobell reports from Brunei:

[Begin recording] [Dobell] The list of problems to be discussed is broad — conflicting sovereignty in the South China Sea, the tensions on the Korean Peninsula, the nuclear tests being conducted by China and France, the situation in Burma. China urges that the regional forum is a place for discussion not negotiation. Other such as the United States and Australia say that at this second forum meeting having discussion is the easy part; now the meeting has to start moving on what it known in a jargon as trust-building measures. A key aim of a whole process is to engage China and get some idea of its regional ambitions. After the forum meeting, the foreign minister of China and U.S. secretary of state will have bilateral talks to try to repair their damaged relationship. Australia's foreign minister, Gareth Evans, says it is up to America to convince China that Washington policy really is one of engagement not containment.

[Evans] I think had this message been sent little bit more loudly and clearly earlier on we might not have had so many of these individual problems assuming the combined magnitude that they now have. The truth of the matter is that China is emerging as a really great power in the region and in the world, and all of us have to recognize, accept that reality, and work with China to build the positive constructive, cooperative relationship in the region for our mutual benefit; and hostile confrontational attitude which is not likely to be, especially, productive but at the same time lead to overall increase in tension don't help that.

[Dobell] The forum is to approve a series of official meetings over the next 12 months to work for (?the specific) defense issues. There is to be an effort to get all countries in the Asia Pacific to sign the United Nations Conventional Arms Register over the next year. That could then be the basis for the eventual creation of a regional arms register. There will be discussion of the creation of a peacekeeping center, a regional search and rescue regime, publication of defense doctrine, and advanced notification of military exercises. [end recording]

Marshall Islands

U.S. Used Islanders as Nuclear 'Guinea Pigs'

LD0108141695 Melbourne Radio Australia in English 1000 GMT 1 Aug 95

[FBIS Transcribed Text] The Marshall Islands government spokesman on nuclear issues says there is evidence to suggest that Marshallese were deliberately exposed to fall-out from an American hydrogen bomb test in 1954. Senator Tony DeBrum says recently released memos and reports related to Project 4-1 show it was planned before the so-called Bravo test as part of a top-secret program to study the radioactive fallout on humans.

The Bravo test caught Rongelap islanders in a storm of radioactive fallout on 1 March 1954. American government reports claim a sudden wind shift sent the fallout over inhabited islands, but Senator DeBrum says the documents show the winds were already changing the day before. He says they also show test officials began to suppress weather forecasts in 1953 and refused to evacuate islanders, who he claims were used as guinea pigs in the project.

New Guinea

Prime Minister Reshuffles Cabinet

BK0208105295 Hong Kong AFP in English 1041 GMT 2 Aug 95

[FBIS Transcribed Text] Port Moresby, July 2 (AFP) — Prime Minister Sir Julius Chan announced Wednesday another cabinet reshuffle following recent changes forced by the sacking of five ministers.

Chan retained most of his ministry but shifted some ministers and combined some portfolios while introducing a new planning ministry.

In another major political change here, Roy Yaki beat deputy opposition leader Roy Evara to become opposition leader succeeding former Prime Minister Paias Wingti who has opted to return to his Western Highlands province as governor under a newly restructured provincial and local government system.

The only new face in cabinet is that of David Unagi, until recently Lord Mayor of Port Moresby, who takes over the running of the newly established second-tier provincial and local governments.

David Ma, who as commerce and industry minister had publicly opposed the World Bank structural adjustment program supported by Chan, has been moved to a less controversial post — agriculture and livestock.

Parry Zeipi, former environment and conservation minister, was demoted to home affairs while former police minister Paul Mambei, was given the environment portfolio.

Andrew Baing has been elevated to the foresty portfolio following the dismissal of former minister Andrew Posai after a leadership tribunal found him guilty of 26 charges of misconduct and misappropriation of public money.

Samson Napo became industrial relations minister.

The changes are in addition to five new ministers announced recently to replace those sacked by Chan for not voting with the government for the new provincial and local governments.

Chan said the changes were based on "individual quality and performance".

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication produced by the Foreign Broadcast Information Service (FBIS). Its contents in no way represent the policies, views, or attitudes of the U.S. Government.

FBIS collects, translates, disseminates, and analyzes foreign open-source information on behalf of the U.S. Government. Its publications may contain copyrighted material. ***Copying and dissemination is prohibited without permission of the copyright owners.***

— Bracketed indicators before the first sentence of each item describe the way in which the material was processed by FBIS.

— Headlines and all bracketed explanatory notes are supplied by FBIS.

— Personal and place names are rendered in accordance with the decisions of the U.S. Board on Geographic Names as adapted by FBIS. Unverified names in radio and television material appear in parentheses and are spelled phonetically; words and phrases in parentheses preceded by a question mark are unclear in the original and deduced from context.

SUBSCRIPTION INFORMATION

U.S. Government Customers

For a list of FBIS products, to subscribe to an FBIS publication, or to indicate a change of address contact:

FBIS
P.O. Box 2604
Washington, DC 20013-2604
Telephone: (202) 338-6735
FAX: (703) 733-6042

Non-Government Customers

Subscriptions are available from the National Technical Information Service:

NTIS
5285 Port Royal Road
Springfield, VA 22161
Telephone: (703) 487-4630
FAX: (703) 321-8547

New subscribers should expect a 30-day delay in receipt of the first issue.